

## Response of the RHA to the Department for Transport (DfT)

### Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles

3 September 2021

#### Summary of the consultation

1. In November 2020, the UK Government announced as part of its Net Zero agenda the *Ten Point Plan for a Green Industrial Revolution* which brought forward to 2030 the date when the sale of new petrol and diesel cars and vans will end. To further its decarbonisation aims, the Government additionally launched in July 2021 its *Transport Decarbonisation Plan* together with two consultations on: i) ending the sale of new non-zero emission HGVs, and ii) a CO<sub>2</sub> emissions regulatory framework for all newly sold road vehicles in the UK. A third consultation on ending the sale of new non-zero emission buses is planned for later in 2021.
2. Ministers see the consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles as part of a programme of work which

*...will put the transport sector on an ambitious but credible pathway to achieve net zero emissions by 2050.*

*The proposed phase-out dates for the sale of new non-zero emission HGVs in this consultation reflect what is needed for the UK's HGV fleet to deliver its contribution to net zero by 2050. Zero emission vehicles (those without emissions at the tailpipe) offer an opportunity to create jobs, strengthen British industry, cut emissions and keep Britain moving.<sup>1</sup>*

3. The Government is seeking views on the following:
  - a. the feasibility of a phase-out date for new non-zero emission HGVs of **2035** (or earlier if a faster transition seems feasible) for goods vehicles with a gross vehicle weight (GVW) from 3.5 tonnes up to and including 26 tonnes; and **2040** (or earlier if a faster transition seems feasible) for vehicles greater than 26 tonnes GVW;
  - b. whether to extend these phase-out dates to HGVs using low carbon fuels;
  - c. whether the maximum permissible weights of zero emission or alternatively fuelled HGVs should increase to allow for their generally heavier powertrains.

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<sup>1</sup> See: Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p4

## Overview of the RHA response

4. Last month's publication of the *Sixth Assessment Report* by the UN's Intergovernmental Panel on Climate Change (IPCC) once again highlighted the need for all of us to act quickly to address the challenges posed by climate change. As we collectively consider our responses, the question the RHA has put at the centre of its thinking is not "what" nor "why", but "how".<sup>2</sup>
5. We support the aim to decarbonise heavy goods vehicles. However, based on current Government plans, we have reservations on its attainability and believe the plans should be adjusted. The ramifications for the economy arising from the apparently simple question posed by the consultation of "when" are highly complex, and we note the impacts have yet to be scoped by ministers via an Impact Assessment. We also point out that HGVs account for 4.3% of overall UK greenhouse gas emissions,<sup>3</sup> and so we look for a proportionate and coherent policy response that empowers operators to play their full part.
6. That said, we understand the imperative to act and our response intends to help the Government and our sector work through the issues to determine "how" CO<sub>2</sub> emissions from the HGV fleet can be reduced sustainably.
7. From this starting point, we give qualified support to the Government's proposal to split out the banning dates for "new non-zero emission HGVs" into different weight categories. As a first step, this is a sensible and pragmatic approach to take. However, we do not agree that setting the weight threshold at 26 tonnes and below from 2035 is the right way forward, as it does not adequately address the barriers-to-entry that currently impede the adoption of zero tailpipe emission HGVs.
8. Instead, from our assessment of the emerging technologies and initial estimate of implementation timelines, we believe the timetable for stopping the sale of new diesel HGVs should be determined by the following weight categories and dates:
  - a. from 2035, 18 tonnes and below
  - b. from 2040, 32 tonnes and below
  - c. from 2045, over 32 tonnes
9. Our assessment however comes with a significant "health warning" as it assumes the satisfactory resolution of future cost, operational and supply barriers, both known and unknown, to meet all use-cases. These dates could be brought forward if appropriate solutions to meet all types of service are provided. However, some specialist or remote area operations may need to be exempted from the ban. Our assessment should be seen as a guide to stimulate continued dialogue and planning with Ministers and officials.

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<sup>2</sup> See: <https://www.rha.uk.net/news/policy-campaigning/policy-campaigning-documents/detail/rha-vision-for-decarbonising-road-freight>

<sup>3</sup> This is based on figures contained in Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p5 which states that transport accounts for 27% of UK GHG emissions and HGVs for 16% of transport emissions, which equates to HGVs accounting for 4.3% of UK GHG emissions.

10. We comment that, whilst we share the ambition to decarbonise at pace and strongly support technological developments to deliver it, sustainable implementation is not yet apparent. Splitting out the banning dates is heavily dependent on whether the new alternative technology can be applied successfully in all use cases in the weight categories. The operational capabilities and limitations of the emerging technologies are not yet fully understood, and government policy must cater for these technical risks.
11. We make two further starting observations. First, there is a substantial gap in the analysis presented in the consultation document. Nowhere does it outline the Government's intentions regarding the diesel fleet that is put on the road before any phase-out bans apply. If ministers intend to ban the use of any part of the diesel HGV fleet before or after 2035, they should say so. It can be interpreted from the consultation document that the Government intends to ban all diesel or fossil-fueled HGVs from operation from 2050, but the Government has not said so. We believe that all HGVs should be given a minimum guaranteed operating life of at least 15 years before facing bans, penalties or supplementary charges.
12. Secondly, there is a bias in the consultation document towards electric drivetrain solutions<sup>4</sup> which excludes plausible and pioneering alternative technology options, such as hydrogen combustion and net zero fuels. This should change so that all technology options that allow Net Zero targets to be achieved are within scope.
13. With this in mind, we have three core messages for ministers:
- for net zero to succeed, **all types of operation and HGV use must be accommodated** so that all parts of the economy and all types of supply chain are catered for;
  - **considerable market uncertainty exists** with operators currently having insufficient information available to make informed choices. This must be managed in an agile way, with ministers regarding this consultation as the first in a series of conversations with our sector to navigate flexibly the many issues that lie ahead. We particularly flag that ministers must give clear guidance on how unavoidable emissions are offset;
  - **the whole vehicle lifecycle must be central to decision making** so that all owners of any vehicle bought before the new vehicle bans are introduced are able to benefit from its utility and a full known economic lifespan. Central to this is sustaining asset values so that all businesses, including our vital SME sector, have the standard financial tools intrinsic to any business available to manage natural vehicle replacement cycles.
14. To assist the certainty our sector needs to plan their vehicle fleet replacement programmes, attached at Annex A is a policy proposal that we judge will allow the transition to be managed sustainably. We also set out at Annex B a further six recommendations to shape the development of the supporting policy framework that achieves Net Zero targets.

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<sup>4</sup> See: Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p11, para 28

## Consultation questions

*Question 1: Do you agree or disagree that introducing a phase out date for the sale of new non-zero emission HGVs will help us meet our legally binding net zero target? Please explain your answer.*

15. In summary, we agree with the principle of a introducing a phase out date but our assessment of the issues that lead to the question being asked differs from that presented in the consultation document. We believe the consultation should be seeking views on the most effective way for HGVs to meet Net Zero targets. As such, the actual question posed invites over-simplistic, incomplete, and potentially economically damaging answers.
16. We comment that the question as posed makes two inappropriate assumptions. First, it overlooks lifecycle emissions by assuming that zero tailpipe emission vehicles are the sole solution to achieve the Government's net zero transport targets – this is not the case. New zero tailpipe emission vehicles are not net zero without other mitigating measures that ensure the manufacture, disposal and all operations of the vehicle are net zero.
17. Secondly, categorising non-zero tailpipe emission HGVs “as those which produce harmful emissions at the tailpipe”<sup>5</sup> represents a “mission creep” which goes beyond the brief of net zero. We infer that, by placing other pollutants at the tailpipe within scope, the Government intends to ban other forms of alternative technologies, such as zero carbon fuels or hydrogen combustion, which in turn only allows for electric drivetrain solutions. At this point in the journey to Net Zero, we do not believe it is appropriate to rule out technologies that may be essential in some market sectors, such as rural areas with insufficient infrastructure, refrigerated transport or the movement of hazardous materials. Offsetting strategies must be available to mitigate and manage residual carbon emissions.
18. That said, we agree with the principle that different phase out / new vehicle ban dates for different classes and uses of “new zero emission tailpipe HGVs” should be at the heart of the strategic direction-of-travel to achieve Net Zero. We believe it is right for ministers to send appropriate signals to the market that incentivises it to innovate and develop the new technology needed to achieve decarbonisation aims. This begins the process of providing the certainty industry requires to plan and implement vehicle buying strategies to sustain the UK economy during the transition.

*Question 2: Do you agree or disagree with our approach to split the phase out dates for new non-zero emission HGVs into two weight categories? Please explain your answer.*

19. We agree with the principle of splitting the phase out dates by weight category, as this allows different markets to be effectively and sustainably addressed (especially if we have other mitigations and options to use). However, we disagree with the two weight categories proposed believing other categories are needed. We have suggestions for alternative date/weight timings which we refer to below which we believe are essential to deal with the diverse needs of the sector and its customers.

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<sup>5</sup> See: Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p8

*Question 3: Do you agree or disagree that 26 tonnes and under, and more than 26 tonnes are the right categories? What evidence do you have for or against?*

20. We disagree with the first threshold being set at 26 tonnes and under in 2035. The threshold for the ban should be set at 18 tonnes and under. We expand on our reasoning under Question 4.

*Question 4: Do you agree or disagree with our proposal to end the sale of new non-zero emission HGVs, for vehicles weighing from 3.5 up to and including 26 tonnes, by 2035? What evidence do you have for or against?*

21. Disagree.

22. The inference made by the Government in the consultation that all market needs for HGVs below 26 tonnes can be fully addressed by electric drivetrain/fuel cell solutions from 2035 is flawed. Instead, we believe that setting the ban at 18 tonnes and below from 2035 can meet all market needs, provided the full range of alternative technology options is available to allow operators to deal with the more challenging use cases.

23. Our rationale for this view is as follows:

- a. 52% of the current UK HGV fleet is at 18 tonnes and below,<sup>6</sup> setting the ban at 18 tonnes will still have a significant impact on carbon emissions reduction;
- b. based on our assessment, it is not plausible that all real world use-cases using vehicles over 26 tonnes can be met from electric drivetrain/fuel cell solutions by 2035;
- c. setting the ban at 18 tonnes allows operators to obtain other technologies to fill the gap where electric drivetrain solutions are unsuitable,
- d. it provides the time needed to allow the second-hand market to develop where challenging use-case configurations exist to aide affordability for all businesses including SMEs;
- e. we anticipate urban 18 tonne use-case needs can be accommodated satisfactorily without the need for government subsidy for vehicle procurement by 2035.

24. We further comment that it is an oversimplification for ministers to assume that “HGVs conventionally fall into two distinct categories in the UK” where “vehicles of 26 tonnes and under run around 150 kilometres on an average day, while heavier vehicles run just under 400 kilometres on an average day”.<sup>7</sup> This analysis of the telematics data overlooks the diversity of the sector, is based only on the part of the supply chain that uses telematics data, has an urban bias and overlooks rural locations with limited

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<sup>6</sup> See: Department for Transport, *Table VEH0506 – Licensed heavy goods vehicles at the end of the year by gross vehicle weight (tonnes), Great Britain from 1994; also United Kingdom from 2014*, May 2021

<sup>7</sup> See: Department for Transport, *Consultation on when to phase out the sale of new, non-zero emission heavy goods vehicles*, July 2021, p17

infrastructure or SME operators that use 2 and 3 axle rigid vehicles operating at longer distances.

25. Figure 4 in the consultation document shows that 25% of the sub-26 tonne HGV fleet covers a daily distance of over 260 kms, with 10% of the fleet covering a daily distance in excess of 350 kms. Not only has the use of HGVs below 26 tonnes on longer distances been overlooked, but there is no evidence that the Government has considered specialised vehicles and operations such as the transportation of hazardous goods, complex machinery, abnormal loads or refrigerated vehicles and trailers. Accordingly, the analysis presented in the consultation document, and any emissions modelling based on it, must be reappraised.

*Question 5: What do you consider the main challenges and barriers to meeting this target for HGVs 26 tonnes and under?*

26. We comment that road haulage is not an end in itself. It exists to serve the needs of customers no matter where they are located or what they are seeking to have moved. To that end, the UK economy depends on vehicles existing in all areas to meet all market needs cost-effectively, efficiently, and sustainably. We do not believe banning all new diesel HGVs below 26 tonnes in 2035 will achieve this because practical operational constraints will not allow it.
27. Even with our suggested 18 tonne and below threshold, there are several broad barriers that must be addressed:
  - a. the provision of appropriate infrastructure to support zero emission tailpipe HGVs serving all economic sectors in all locations;
  - b. how vehicle manufacturers who create vehicles for international markets can be appropriately incentivised to supply the UK market to UK specifications;
  - c. building trust in new technologies that are operationally unproven;
  - d. how we ensure SME businesses can sustainably access zero emission tailpipe technologies;
  - e. ensuring “inappropriate localism” (e.g. Oxford Zero Emission Zone) is avoided to sustain asset values of the existing fleet during the transitional phase to and minimise bureaucracy, particularly for SME businesses;
  - f. upskilling the workforce to maintain zero emission tailpipe HGVs;
  - g. how full lifecycle carbon emissions are recognised in policy.
28. We also believe that rural needs and specialist applications are not sufficiently embedded within the Government’s thinking. We recommend that Ministers prioritise solving the most technically challenging geographic areas first, such as net zero rural provision, and use that learning in the below 18 tonne sector to expedite implementation across all of the UK. This may require the use of net zero liquid fuels.



*Question 6: How can these barriers be addressed?*

29. In the absence of an impact assessment, the Department for Transport should scope the full complexity of HGV use-case needs to inform solutions to the barriers we articulate in question 5. So far, this has not been done.
30. With a full understanding of use-case needs and ensuring there are sustainable and operationally practical mitigations in place, we strongly believe that a vehicle standards approach supported by real-world trials can overcome the barriers we identify above.
31. Part of that will come from infrastructure investment by government, part from providing the right market signals to inform vehicle operators. Good practice already exists. We commend the development of the Euro VI/6 standard, introduced from 2013, as a model for policymakers to follow. In this instance, a well-designed standard led by business in a stable regulatory environment required vehicle manufacturers to create new technology which, pre-CAZ, generated significant and sustainable reductions in NO<sub>x</sub> air pollution across the diversity of use-cases without the need to subsidise vehicle purchases.<sup>8</sup>
32. We regret however that a poor precedent exists with the UK Government's well-intended but ill-designed *Clean Air Zone* (CAZ) policy, the ramifications of which have far-reaching consequences for ministerial Net Zero ambitions. The principle mistake CAZ made was the timing of the signal sent by Government to the market, which failed to account for the adequate supply of compliant vehicles.
33. The impact of this mis-timed signal has been three-fold. Firstly, the shortage created in compliant vehicles caused price inflation. Secondly, punitive and unnecessary asset devaluation in vehicles deemed "uncompliant" – we estimate that £1.2bn has been prematurely wiped off the value of just the Euro V fleet of HGVs (18% of the overall fleet) which, in a low margin industry such as haulage, pushed operators into an accounting loss.
34. Consequently, this has damaged confidence by causing stranded assets, discriminated against SME companies and vehicle users with limited means and disrupted our sector's ability to upgrade to the desired "compliant" vehicles.
35. We comment that, had the Government allowed our sector to carry the "heavy lifting" required to phase in the required vehicles through natural replacement cycles, public funding for vehicle replacement would have been unnecessary. The retrospective type of standard-setting epitomised by CAZ is expensive, badly-targeted and a waste of public money.

*Question 7: Do you agree or disagree with our proposal to end the sale of new non-zero emission HGVs, for vehicles weighing more than 26 tonnes, by 2040? What evidence do you have for or against?*

36. Disagree.

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<sup>8</sup> We estimate that, due to the £1.9bn investment by hauliers in the latest cleanest lorries, NO<sub>x</sub> pollution from HGVs has fallen by over 60% since 2013. With no further policy intervention, it would fall by 85% from 2013 levels by 2025.

37. It is premature at this stage to make that decision. Following on from our consideration that the weight threshold should be set at under 18 tonnes from 2035, we disagree that a blanket phase-out for all remaining HGVs above 18 tonnes should be from 2040.
38. Instead, based on our initial assessment, we consider that the timetable for banning the sale of new non-zero emission HGVs at 32 tonnes and under could be from 2040, and HGVs above that weight could be set at 2045 if the technology and infrastructure is in place to meet all types of operation. Our underlying rationale is the same as set out in questions 4 and 5.
39. We reiterate that the use of other net zero tailpipe technologies must not be overlooked. That may include net zero fuels, hydrotreated vegetable oil (HVO) or even the use of selected fossil fuels with an appropriate offset strategy in place for the most challenging applications until operationally viable zero emission solutions are available.
40. The policy framework must not lose sight that all markets and sectors within the United Kingdom must be addressed, and this will require agile thinking and policy making from ministers.

*Question 8: What do you consider the main challenges and barriers to meeting this target for HGVs weighing more than 26 tonnes?*

41. Please see our answer to Question 5. We also ask ministers to recognise that accommodating high-intensity duty cycles is a particular challenge in the larger vehicle sizes.

*Question 9: How can these barriers be addressed?*

42. Please see our answer to Questions 6 and 7.

*Question 10: Do you agree or disagree that these phase out dates should be extended to all non-zero emission HGVs, including those using low carbon fuels, in their respective weight categories? Please explain your answer.*

43. We believe that the timetable for banning the sale of all non-zero tailpipe emission HGVs, including those using low carbon fuels, should align with the weight categories and dates we set out in the paragraphs above and in Annex A.

*Question 11: Do you agree or disagree that maximum permissible weights for certain zero emission vehicles (mainly HGVs) on both international and domestic journeys should increase by up to 2 tonnes (without exceeding 44 tonnes)? Please explain your answer.*

44. We see no reason to cap weight increases to 44 tonnes based on the *Trade and Cooperation Agreement* (TCA), as Article 459 states that “Nothing in this Title shall affect the transport of goods by road within the territory of one of the Parties by a road haulage operator established in that territory”. It is the case that many places across the EU



already operate at weight above 44t, so we do not see how the TCA can put a limit that applies to the UK but not in the EU.<sup>9</sup>

45. We support that the Government is raising the possibility of a “broader, piece of work on the capability of the UK’s roads to take heavier vehicles”. Such a piece of work is essential.
46. It is also essential that the policy framework allows a higher weight allowance to ensure new HGVs can achieve a payload as similar as possible to current vehicles.

*Question 12: Do you agree or disagree that weight limits should increase by up to a maximum of 1 tonne for certain alternatively fuelled HGVs on both international and domestic journeys (without exceeding 44 tonnes)? Please explain your answer.*

47. Disagree. Please see our answer to question 11.

*Question 13: Do you agree or disagree that weight limit increases should only offset any additional weight due to the alternatively fuelled or zero emissions technology? Please explain your answer.*

48. Agree. Please see our answer to question 11.

## Final comments

49. Hauliers are willing to invest in Net Zero and, to overcome the challenges and complexities that lie ahead, we are guided by **sustainability values** which recognise that economic needs must be nurtured alongside environmental and social needs. The low margin, highly competitive nature of our sector means that we operate dynamically and sensitively to consumer demand that is attuned to the need for effective environmental stewardship.
50. As economic enablers, hauliers drive productivity and invest in environmental well-being. We strongly welcome innovations to develop low carbon and zero emission vehicle technologies. We will also continue promoting ways to improve efficiencies and minimise emissions from conventional technology, which includes effective driver training, efficient fuel use, optimal load utilisation and investing in streamlined vehicles.
51. We comment however that there are substantial risks to the realisation of the net zero targets and, for a successful transition away from diesel to occur, the **right policy frameworks** must be in place. At the time of writing, we note media reports that both the Chancellor<sup>10</sup> and Business Secretary<sup>11</sup> are guided by a desire to send signals to the market that develops the desired technology and, crucially, allows the private sector

<sup>9</sup> See: <https://www.itf-oecd.org/sites/default/files/docs/weights-2019.pdf> which details permitted maximum weights across Europe.

<sup>10</sup> See: <https://www.thetimes.co.uk/article/ministers-backtrack-over-gas-boiler-ban-5ct59jxrp>

<sup>11</sup> See: <https://www.telegraph.co.uk/politics/2021/08/21/heat-pumps-worse-heating-homes-gas-boilers-admits-energy-secretary/>

through natural replacement cycles to carry the heavy lifting<sup>12</sup> required to phase the technology in.

52. If so, the RHA endorses this approach. It is consistent with our position that market-driven solutions are best-placed to achieve commercial vehicle decarbonisation. However, for this to work, **asset values must be sustained** so that all businesses, including SMEs, have the standard financial tools intrinsic to any business available to manage natural vehicle replacement cycles.
53. Our support to the principle of splitting the phase-out dates for new non zero tailpipe emission HGVs is therefore heavily reliant on effective evidence-based leadership and sound governance from ministers that builds confidence and supports our ability to navigate the uncertainties that lie ahead.
54. However, we note a backdrop where independent reports are calling for ministers to provide strong co-ordinated leadership<sup>13</sup> and there is an increasingly fractious debate on how lifecycle emissions are recognised within government policy. Together with the lack of an Impact Assessment that has a firm grip on use-case complexity to accompany the Government's *Transport Decarbonisation Plan*, the context is further aggravated by the asset devaluation caused by Clean Air Zone policy.
55. We therefore recommend that ministers establish a steering group of key stakeholders, including the RHA, to coordinate the issues that lie ahead so that Net Zero targets are achieved.

## Background about the RHA

56. The RHA is the leading trade association representing over 8,000 road haulage and distribution companies across the UK, 85% of whom are small and medium-sized enterprises (SMEs). Our members operate around 250,000 HGVs (half of the UK fleet) out of 10,000 operating centres, and range from a single-truck company to those with thousands of vehicles.
57. These road transport companies provide the people and businesses of the UK with the goods upon which we all depend - from food and clothing through to medicines, car parts and construction material. Without lorries and vans delivering good to businesses and consumers, the economic and social wellbeing of the UK would be seriously impacted.
58. Recently, the RHA has initiated a coach operator membership for those operating non-scheduled passenger services using vehicles with a capacity of more than 16 seats.
59. We proactively encourage a spirit of entrepreneurialism, compliance, profitability, safety and social responsibility. We do so through a range of services, such as advice, representation, and training. We also work alongside policymakers and haulage

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<sup>12</sup> See: <https://www.telegraph.co.uk/politics/2021/08/21/heat-pumps-worse-heating-homes-gas-boilers-admits-energy-secretary/>

<sup>13</sup> See for example:

- National Audit Office, *Achieving Net Zero* (December 2020)
- Public Accounts Committee, *Achieving Net Zero* (March 2021)

companies to identify ways to move freight more efficiently at a lower cost based on our widespread knowledge and expertise in the area.

60. Our response is set within an overall context where 54,800 SMEs are involved in haulage and 52% of lorries operate in fleets of less than 20 (source: Traffic Commissioners - 2016/17). The purchase cost of an HGV starts from £100,000 and its life span is typically 12 years. However, depending on the application (e.g. mobile cranes), this can be for much longer (30+ years) and cost considerably more (£200k+). Due to the high efficiency of logistics, operators typically work on a 2% profit margin (source: Statistica 2020), meaning any additional costs incurred cannot be absorbed.

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Road Haulage Association

## Annex A

### RHA proposal to support lorry transition to net zero

Decarbonising society will affect every sector of the economy. How the change to no carbon/low carbon transport is managed is one of the most important tasks politically and economically facing the UK over the next three decades.

For that reason, it is essential that we focus clearly on the most effective and sustainable ways to make that transition in all areas.

We cannot afford to rule out options that may become viable, nor should we limit our options to achieve net zero through premature decision-making.

It is essential that we keep barriers to entry on new technology as low as we can to facilitate take up.

In addition, we should be mindful of the full lifecycle carbon impacts, including embedded carbon in our existing vehicles and infrastructure as well as the carbon impacts of the new vehicles and infrastructure.

With this context in mind, the RHA has a broad proposal to facilitate the transition of the road freight sector to net zero. It is based on the principles the RHA has been advocating since January 2020,<sup>14</sup> namely to eliminate, minimise and offset carbon emissions.

### Detail of the RHA Proposal

#### Existing Vehicle Guarantee

To facilitate the smooth transition to net zero with the minimum disruption to the market by ensuring vehicles can meet market needs and maintain second-hand values in support of new vehicle purchases, the RHA proposes that all diesel lorries are given a minimum use period of 15 years.

In that period those vehicles should be allowed to be used without fines or penalties levied nationally or locally.

In addition, the Government should make provision for extensions to that period in special circumstances (such as rural distribution, special vehicles, refrigeration over long distance for example). Our suggestion is that the use period could be extended by issuing a permit for an extra 5 years if certain conditions are met.

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<sup>14</sup> See: <https://www.rha.uk.net/news/policy-campaigning/policy-campaigning-documents/detail/rha-vision-for-decarbonising-road-freight>

### Net Zero Fuels

The 15 year period may require offsetting after 2050 or the use of net zero fuels. This is something that should be determined and made public in advance of any new vehicle bans being put in place.

Full exemptions may also be needed for emergency services and military use where limitations of electrification are operationally difficult to achieve.

### New Diesel Ban Dates

Based on our assessment of the emerging technologies and initial estimate of implementation timelines, we believe a **provisional timetable** for stopping the sale of new diesel HGVs should be determined by the following weight categories and dates:

2035 - 18 tonnes and below  
2040 - 32 tonnes and below  
2045 - over 32 tonnes<sup>15</sup>

It is essential these dates retain some flexibility as there is great doubt over existing timelines. With the support of net zero fuels it may even possible to move more quickly.

RHA Policy  
September 2021

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<sup>15</sup> This date must be provisional given the technological uncertainty and the need to meet all use cases. This could even be brought forward if appropriate solutions are available to meet all types of service provided. Some specialist or remote area operations may need to be exempted from the ban.

## Annex B

### Six recommendations to develop the Net Zero policy framework

#### Recommendation 1 - Ministers must provide clear leadership on lifecycle emissions

A narrow focus on “non-zero emission HGVs”, which we re-term as “non-zero tailpipe emission HGVs”, disregards solutions to decarbonise transport elsewhere in the supply chain and distorts accountability. We look to ministers to provide coherent holistic solutions that also account for carbon use in the manufacture, powering and recycling of vehicles.

#### Recommendation 2 - the Department for Transport must fully scope the full complexity of HGV use-case needs

Whilst diesel may be the current common factor, use-case needs employed by HGV operators are operationally diverse. Barriers-to-entry exist that impede the rapid adoption of zero emission tailpipe solutions to address these needs based on cost, real-world operational, supply, infrastructure and structural grounds. These barriers should be fully appraised to inform how subsequent policy can manage them effectively.

#### Recommendation 3 - business including our vital SME sector must be empowered to procure the new technologies

For this inclusive approach to succeed, it is vital that:

- the regulatory certainty needed for the whole vehicle lifecycle encompasses the second-hand market;
- phase-out occurs at no lower than a UK-level;
- asset values are sustained so that all businesses, including SMEs, have the standard financial tools intrinsic to any business available to manage natural vehicle replacement cycles.

#### Recommendation 4 - investment in vehicle standards

Continuous investment in vehicle standards will provide the solutions needed to address the barriers-to-entry that lie ahead. Our benchmark is that well-designed standards which govern the development of new technologies and infrastructure are phased in sustainably as market supply allows.

#### Recommendation 5 - detailed implementation must be agile

Replacement timescales must be informed by an evidenced and managed pragmatism as viable zero emission technological solutions become available. To support this agility:

- we welcome government investment in initiatives such as the *Zero Emission Freight Trial* that build trust in the emerging technology, and see similar future trials being central to government strategy;
- low carbon fuels, such as hydrotreated vegetable oil (HVO), should be deployed smartly as part of a dynamic transition to ensure all economic sectors, including those deploying use-cases that are hard-to-decarbonise, are accommodated;
- ministers must give clear sustainable direction on how off-setting unavoidable greenhouse gas (GHG) emissions is achieved.



**Recommendation 6 - ministers should establish a dedicated steering group to manage the diesel ban**

It is essential that users and vehicle makers are formally embedded in decision making before decisions are taken by officials and ministers. Too often SME voices are not heard, too often generalisations are being made that do not take account of the diversity of the market.

A dedicated steering group that embeds users at its core is essential if we are going to avoid expensive and counter-productive mistakes.