



Updated vision for

Decarbonising the commercial vehicle fleet

Eliminate - Minimise - Offset

Promoting safety, efficiency and compliance in the commercial vehicle sector

Prepared by
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Road transport is essential for a modern economy

Economic and social wellbeing depends upon on the effective movement of goods and people. Transport has been, and will always remain, an essential service in any society for both basic and advanced economic and social performance. This applies whether we are dealing with a pandemic or the drive to net zero by 2050.

The RHA renews its call for a new national decarbonisation "Road Map" to be developed by the UK Government. We believe such a road map is essential to support the decisions of businesses, authorities and people to get decarbonisation outcomes, while ensuring the economy and jobs are supported.

The road map needs to create a level of certainty so commercial vehicle operators (lorries, vans and coaches) can make the required investments in low carbon and no carbon solutions. The road map must reflect the reality of the need to deliver all transport services that all end users require.

We believe that market-driven solutions, guided by policies framed by economic, social and environmental needs, are best-placed to achieve commercial vehicle decarbonisation.

An essential part of this is catering for different users, respecting vehicle and investment life cycles, and supporting business investment through clear rules and stable, predictable regulation. The RHA approach is informed by a sustainable hierarchy against which actions should be considered as we move to a net zero commercial vehicle sector.

We describe this hierarchy as
Eliminate / Minimise / Offset

In simple terms, this means that where we can, we should **eliminate** carbon emissions from commercial transport. But, where this is not practicable we should **minimise** carbon emissions, and finally we should **offset** any remaining emissions that have not been eliminated.

Offsetting needs to be both a priority and viable solution for commercial vehicles while more permanent low carbon/no carbon solutions are developed. It is vital that an agreed understanding is developed on how offsetting should work, what counts as an offset and what does not. The current reputation of initiatives in this area is poor and needs to be improved.

The context

The RHAs approach to the Government's 2050 net zero target is guided by sustainability values. These recognise that environmental and social well-being is dependent on economic well-being.

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 30 years.

In November 2020, the UK Government published its Ten Point Plan for a Green Industrial Revolution committing it to:

- phase-out the sale of new petrol and diesel cars and vans from 2030 (hybrids from 2035)
- invest £20m in a zero emission road freight trial in 2021
- consult on phasing out new diesel HGVs

In December, the Climate Change Committee (CCC) published its Sixth Carbon Budget – The UK's path to Net Zero setting out a "balanced pathway" to frame how the UK can achieve Net Zero by 2050. The approach by the CCC is consistent with the RHA position for a "road map" based on sustainability and "Eliminate-Minimise-Offset".

Throughout 2021 we expect further initiatives such as the Transport Decarbonisation Plan, Industrial Decarbonisation Strategy and, to inform COP26, a Net Zero Strategy.



The challenge

Decarbonising the commercial vehicle fleet is complex, and amongst the most difficult areas to decarbonise while maintaining customer-focussed, efficient and cost-effective movement of goods and people.

For example, there are no clear, scalable technological solutions in place now that cater for the range, weight and payload factors needed by large vehicles to deliver goods and passengers efficiently and cost-effectively over longer distances.

What is clear now is that different customer needs and different use-cases will require a range of solutions. Simplistic "one size fits all" approaches will not be effective - they can even be counter-productive.

Good quality information, and clear ways forward that support secure investment in lower carbon solutions are needed. Short-term knee-jerk policy reactions that occur midway through a working asset's investment cycle must be avoided if a sustainable shift to a net zero carbon future is to be achieved.



The national "roadmap"

For successful decarbonisation outcomes to be achieved, commercial vehicle operators must have confidence that the regulatory framework will not retrospectively undermine investment.

The biggest risk we see in the effective delivery of the net zero aim is that of the "**stranded asset**". **This occurs when new regulations are applied to assets part way through the asset life-cycle, prematurely limiting or ending the use of a given asset.**

The decarbonisation of the commercial vehicle sector can be achieved, but the road map must be based on credible evidence and in line with technical innovation and vehicle replacement cycles. With a coherent framework in place, vehicle makers, vehicle purchasers, supply chains, people and policy makers can then make decisions and invest-with-confidence.

Devolved, regional and local authority initiatives must align with the central "road map". Failure to work within cohesive national and international standards will undermine investment, add cost, bureaucratic burdens and confusion resulting in poorer, counter-productive outcomes.

Inadequately-evidenced, clumsy or dogmatically-designed decarbonisation policies have the potential to destroy asset values across industry sectors with harmful economic, social and environmental consequences. A subsequent recourse to public funds via highly wasteful, expensive and inefficient scrappage schemes must also be avoided. The UK Government's damaging Clean Air Zone policy must not be repeated.

Technical areas to be addressed as we evolve to net zero future include:

- vehicle technologies and standards
- alternative fuels
- improved efficiency measures in the movement of goods and people
- infrastructure standards and management

In dealing with these areas, government and industry will need to consider what is feasible, economically viable and environmentally sustainable, and promote it within the framework of eliminate, minimise and offset.

Policymakers must accept that the time frames for interventions against each type of transport operation will vary. Some things can be done now, whilst others require technological solutions that are for now, unclear and unknown. Decisions informing the development of initiatives such as local "zero emission zones" must take full account of the needs and constraints of all sectors and all users.

Once policymakers commit to a solution, enough time must then be allowed to enable the investment by industry in that solution to achieve a reasonable payback. This approach will support investment and provide the stepping stones needed to achieve net zero across commercial vehicle sectors.

End-users and service providers must be at the heart of the solutions as they are developed, not just infrastructure and equipment providers.

Next steps

The RHA would like to see the Government working with industry and committing, as soon as possible, to creating a commercial vehicle decarbonisation road map.

We must accommodate the diversity of our sectors: urban and rural, coach and bus, van and lorry - all have different needs and constraints. They all need to be addressed in their own terms.

The one thing that is certain however is that the need to move significant quantities of goods and large numbers of people is permanent and will need to be accommodated in 2050, just as it is today.

Our recommendations to steer next steps are that all transport operators need:

- policymakers to provide **regulatory certainty** to avoid future "stranded assets"
- **well-designed standards** generated to govern the development of new technology and infrastructure that is **phased in sustainably** as market supply allows
- highway authorities to ensure the **road space works for all users** with the ability to move goods and people efficiently and cost-effectively unimpeded
- policymakers to **avoid regressive impacts or counter-productive outcomes**.

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