



Response of the Road Haulage Association to DEFRA and HM Treasury

Non-road mobile machinery and red diesel Call for Evidence

20 July 2018

Summary

1. In the Spring Statement 2018, the government announced a call for evidence on the use of rebated gas oil (often called red diesel) by non-road mobile machinery (NRMM), in order to improve its understanding of what is preventing users from switching to cleaner technologies. Red diesel for agricultural use is outside the scope of this call for evidence, as is use by fishing vessels, home heating use and other stationary applications.
2. Red diesel use makes up over 15% of total diesel use, this call for evidence is focused on NRMM. The government has less information about end users and the geographic spread of red diesel use and would like a better understanding of why red diesel is used, and what are the main barriers to switching to cleaner technologies.
3. This call for evidence will inform considerations for Budget 2018 about how best to encourage those who use mobile machinery, particularly in urban areas, to purchase cleaner alternatives.
4. The call for evidence is open until 24 July 2018.

Background about the RHA

5. The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 250,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.
6. We proactively encourage a spirit of entrepreneurship, compliance, profitability, safety and social responsibility. We do so through a range of advice, representation and services, including training.
7. We would like to thank DEFRA and HM Treasury for the call for Evidence and the opportunity to comment on the issues raised.



The Road Haulage Association

8. We have not answered the questions directly as we represent our member organisations and have therefore offered our broad view.

Broad RHA view

9. There are presently close to 10,000 operators in the road haulage sector, running operations from the very large such as DHL to those that are owner drivers operating one lorry. 90% of the sector is made up of operators running haulage companies with 10 vehicles or less.
10. The sector currently faces an onslaught of legislative requirements, from Direct Vision Standards to Clean Air Zone and ULEZ charges, increased fuel costs and continued pressure from many other institutions.
11. Yet it is an industry that moves 98% of everything that is consumed in the UK and impacts every single person on a daily basis.
12. Many Haulage operations use Non-Road Mobile Machinery primarily in Refrigeration equipment. Should the rebate be removed road haulage operators using NRMM in refrigeration equipment would see their costs doubled overnight.
13. Refrigeration units are governed by legislation and older more polluting units will phase out in time. The stricter emissions requirements for newly manufactured Refrigeration units are already lowering emissions considerably.
14. There is no retrofit equipment available to the road haulage sector for older refrigeration units and any insistence on a certain engine type by a set date would have similar consequences. If there was a retrofit kit available it would be listed on the CVRAS website on the Energy Saving Trusts website. There is nothing listed.
15. Red diesel use in mobile refrigeration on road is exclusively for the movement of food and pharmaceutical products, removing the red diesel in road haulage will in effect be a tax on food and medicine. Makes no sense to allow red diesel for food production and then tax the movement of food.

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