



## **Response of the Road Haulage Association to Transport for London's Consultation**

### **Changes to the Ultra Low Emission Zone and Low Emission Zone.**

27 Feb 2018

#### **Summary**

1. The London Mayor is consulting on changing the current London wide Low Emission Zone (LEZ). The proposal is, from 26 October 2020, to charge any class of Euro III and below Lorries £300 per day to enter Greater London and charge Euro IV & V Lorries £100 per day to enter. Only Lorries at Euro VI (TfL use Euro 6 in their documents) will be exempt from Low Emission Zone charges.

#### **Background about the RHA**

2. 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 100,000 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.
3. 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.
4. We would like to thank Transport for London for the consultation and the opportunity to comment on the issues raised.
5. The online consultation only provides very limited scope for businesses to address the issues. We have answered the relevant questions in the survey in full rather than the narrow responses allowed in the survey.

#### **Broad RHA view**

6. The RHA and our members have serious concerns about the London LEZ extension proposal and other the Clean Air Zone proposals that are being brought forward under direction of DEFRA. As currently configured the proposals will lead to business closure and disruption to road haulage and other businesses.

7. In simple terms – the mix of the timeline, the standards applied, the simultaneous application of this wide area LEZ extension and Clean Air Zones in many other cities and the charging levels will be catastrophic– especially for smaller businesses.
8. The RHA supports clean air, Euro VI technology is superb but the industry is unable to keep pace with the unrealistic time frames set by this and other Clean Air Zone consultations. It will not be a viable option for many small operators to pay the charge on a daily basis. Compliance with the Zone will be impossible for many businesses due to the lack of Euro VI Lorries, the drop in residual value of the current Euro V fleet, the absence of a lorry retrofit option, and the limited opportunity for redeployment of Euro IV and V vehicles outside London (as other Clean Air Zones are implemented).
9. Goods need to be moved in the most efficient road vehicles to minimise congestion and air quality impacts. The most efficient vehicles are large goods vehicles. The misapplication of policies will result in more large unregulated vans being used for freight distribution. Given that London is embarking on infrastructure changes to remove road space from motorised vehicles this shift to vans may make congestion and air quality worse.
10. Over recent decades, UK local air quality has improved significantly thanks to concerted action at all levels. Total UK emissions of nitrogen oxides (NOx) fell by almost 70% between 1970 and 2015 and by over 19% between 2010 and 2015. Poor air quality is a risk to public health and investing in cleaner air and doing even more to tackle air pollution are priorities for the RHA membership.
11. However, it is vital to understand the root causes of local air quality problems. The plans and proposals fail to deal with the serious congestion problems that underpin the worst areas of poor air quality.
12. London authorities have underestimated the impact on road operators based in the city. There are approximately 3650 road haulage operators based within the Greater London LEZ Extension zone, operating some 35,000 vehicles. The majority of these companies have less than 5 vehicles. The proportion of older vehicles (Euro IV and V in London) is higher among small operators. This is sometimes due to the specialist work they often do.
13. Members have told us that many small businesses operating HGV's will have no alternative to but to cease to trade.
14. The current plan, without phasing, will destroy many viable small businesses in the haulage sector and in the vehicle maintenance and roadworthiness sector. This will

be done without making a material difference to local air quality in the places where the problems occur.

15. The total population of London is due to grow by close to 3 million more people in the next 30 years, the Mayor has very ambitious plans clearly stated within his Environmental Strategy, Transport Strategy and London Plan to build hundreds of thousands more homes for this increase in population.
16. Every home, flat, factory or office built requires tonnes of furniture, bricks, concrete and wood. All London residents need feeding and resupplying and their waste dealing with on a daily basis, and this has to be done by road vehicles. Road freight is essential for the city to function.
17. At the end of 2020 about 60% of lorries nationally will be Euro VI, around 24% will be Euro V. The RHA position has been that all LEZ/Clean Air Zones need to be phased in a way that supports clean air objectives without major disruption to small businesses and their customers. In particular that we need to accommodate Euro V lorries for longer than is currently planned (either exempting Euro V from charges initially or having a much lower charge, say £10, to the end of 2023).
18. TfL and the Mayor also need to know that members have advised us that uncertainty created by the unclear Direct Vision Standards has been slowing down the purchasing of new Euro VI lorries.

## **Answer to the Consultation Questions**

19. Like many online survey consultations the ability to respond is very limited. Following the online questions sometimes requires a respondent to give an inaccurate answer as no suitable response is available. This online survey is very poor in this respect. Therefore, we have been forced to answer the questions outside the confines of the consultations inappropriate and leading tick box approach. Only 3 questions relate to the road haulage sector.

### **Part 1 Questions**

**Q1: Do you support tougher vehicle emission standards in the London-wide Low Emission Zone so that heavy vehicles must meet Euro 6 London-wide?**

**Q2: Do you support the proposed implementation date of 26 October 2020 for the introduction of tougher Euro 6 standards for heavy vehicles driving in the London-wide Low Emission Zone?**

**Q3: Do you support the proposed daily charges to be paid by owners of heavy vehicles that do not meet the required emission standards at [Euro VI]**

**RHA Answer:**

20. The RHA opposes all 3 of the above questions. However, that opposition is not total. Members recognise and support the need for local air quality to be improved. Drivers are working in the same environment as everyone else and it is important for them to have clean air too.
21. There are better ways than the current proposals to achieve improved local air quality without the negative impacts on business and employment within London.
22. The RHA has identified problems with the underpinning information supporting the proposed London approach which has skewed the outcome. Data from the technical assessment is based on pre 2013 data which does not include the introduction of Euro VI lorry. TfL's out of date pre Euro VI figures show that in 2013 lorries were the source of just 10% of London's NOx emissions. The RHA estimates that at the end of 2017 GB emissions from Lorries had already fallen by 40%. So today lorries could be contributing just 6% of the total NOx in London all other things being equal.
23. Congestion is a major source of local air quality problems and this proposal does not deal with that at all. All previous charging zones have had no effect on congestion in Greater London with speeds as slow as 12KPH on average in morning rush hour.
24. The proposal to extend the LEZ in 2020 will have a negative effect on the Road Haulage Industry and on the support businesses within the zone as about 40% of the lorry fleet nationally will still be pre Euro VI at the end of 2020, so much so that many operators (many SME's) have suggested they will leave the sector.
25. These proposals along with that of other local authorities are leaving the sector no option for redeployment and have started to destroy the residual values of Euro V vehicles.
26. The haulage sector does not have a retrofit option to upgrade to Euro VI and at present there is not even a standard for a retrofit engine to be developed against. Should one become available the demand is likely to outstrip the ability to retrofit in time if it is economically viable. Broad indications we have received show retrofit to cost (should it be developed) in the region of £20,000 per vehicle (a bit higher than a bus). There are no support schemes for lorry retrofit to make an option viable for operators.
27. Euro VI lorries are in extremely high demand due to meeting ULEZ and CAZ charging requirements. This has had an effect on the used vehicle resale market where Euro VI lorries attract highly inflated prices.



## The Road Haulage Association

28. The sector needs time to react. The life span of a heavy vehicle is around 12 years (longer for some specialist vehicles) The sector cannot move the retirement of their current fleets 5 to 7 years forward. Many companies will be unable to meet the financial demands of upgrading to Euro VI with no other options than leave the industry.

**Part 2, 3, 4 questions do not apply to the road haulage sector.**

**Part 5 are a request for general comments which have been covered above.**

### **Recommendations of the RHA**

29. There is limited opportunity to redeploy the Euro IV and V fleet away from London due to widespread adoption of clean air zone solutions being mandated by central Government. There is no viable retrofit. Given this we would advise that Euro V is used as the base standard until the end of 2023 at least (with no LEZ charge at all). This will give businesses more time to make the required adjustments and support a more orderly transition.

30. If London feel that there is no other option than a charge below Euro VI, then the RHA recommend an Intelligent Phasing of the charges, charging older more polluting Euro IV vehicles, but charging less for the newer and cleaner Euro V lorries - possibly £10 for Euro V until the end of 2023. This approach is likely to give the optimum air quality result from the road haulage sector as it will moderate the increasing adoption of vans across the city.

31. We do not believe that the extra charge of £100 for Euro III vehicles is proportionate or necessary. Keeping at the existing level will be sufficient – especially if there is a longer period during which cleaner Euro V lorries were able to be used.

CT Snape

Deputy Policy Director

Date: 27 Feb 2018