



# The Road Haulage Association

## Response of the Road Haulage Association to DEFRA

### “Consultation on Air Quality: Additional measures to support individuals and businesses affected by local NO2 plans”

5 January 2018

#### Background about the RHA

1. 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.
2. 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.
3. We would like to thank the DEFRA, for the consultation and the opportunity to comment on the issues raised.
4. In addition to answering the questions directly we have added further comments on related issues where we feel these are relevant.

#### Responses to the Questions

**Question 1: Are there other policy options not set out in the list above that should be considered in order to minimise the impact of local air quality interventions on individuals or businesses? This could include measures such as guidance or communications material. Please provide evidence to support your proposal. Any proposals should take into account the assessment criteria set out in the next section.**

1. We understand that many new Clean Air Zones are considering limiting the type of large vehicle (by Euro standard) entering the Clean Air Zone to encourage the use of Euro VI HGVs and buses. The RHA understand this approach, but we believe this will result in costs on businesses and consumers that will be grossly excessive, zones cover wide areas beyond that needed to meet legal emission standards.
2. The Commission makes it clear that “Under EU law a limit value is legally binding [...] subject to any exceedances permitted by the legislation. For a target value the

obligation is to take all necessary measures **not entailing disproportionate costs** to ensure that it is attained,[..]"<sup>i</sup>

3. Having assessed this approach the RHA believes it is vital that a notice period of at least 18 months is given for any restrictions. Any restrictions in Clean Air Zones must be phased so vehicles less than 10 years old are not restricted. Vehicles with highest emissions should be restricted first;

An example phasing for areas where air quality is non-compliant would be;

- a. To the end of 2019, only restrict Euro III or earlier HGVs and Buses,
- b. From the end of 2021, only restrict Euro IV or earlier HGVs and Buses,
- c. From end of 2023 restrict to Euro VI HGVs and Buses.

The table below shows the Euro standards for HGVs and buses by year with a summary of NOx standards.

		NOX standard*
Euro VI	2014 on	0.4
Euro V	2009 to 2013	2.0
Euro IV	2006 to 2008	3.5
Euro III	2001 to 2005	5.0
Euro II	1997 to 2000	7.0
Euro I	1996 + older	8.0
*Nox emissions based on Maximim permitted for vehicle type This is a summary of the NOx standards only.		

It is important to understand how the vehicle fleet has changed and will continue to change over time. The RHA assessment of the changes in the lorry fleet, by emission standard over time – based on DfT statistics, given stable rates of change – is shown below.

	Euro VI	Euro V	Euro IV	Pre Euro IV
<b>end 2016</b>	26.6%	31.8%	16.6%	25.0%
<b>end 2018</b>	43.7%	26.3%	12.4%	17.6%
<b>end 2020</b>	54.2%	24.9%	8.1%	12.8%
<b>end 2022</b>	64.8%	20.3%	5.3%	9.6%
<b>end 2024</b>	75.4%	14.0%	3.7%	6.9%

4. As can be seen in the above data, the fleet of modern Euro V vehicles remains substantial until after well after 2020. Undertaking limitation on the movement of Euro IV and V in the near term will be highly disruptive for operators as the supply of Euro VI

vehicles will not be sufficient to meet the demands of business. Universal compliance will not be possible.

5. If phasing as suggested above is not possible, an alternative phasing method, with variable charges by Euro class should be used. –Such an “**Intelligent Phasing**” option will encourage the removal of the most polluting vehicles first. Those with the oldest vehicles will be able to move on to cleaner Euro V vehicles, which will be plentiful and cost effective en-route to a higher standard later if required. The table below highlights an option for such an “intelligent phasing” approach.

	<b>Euro III</b>	<b>Euro IV</b>	<b>Euro V</b>
<b>end 2019</b>	£100	£30	£10
<b>end 2021</b>	£100	£60	£30
<b>end 2023</b>	£100	£100	£60

6. It has been proven that ECO driver training for the Heavy Vehicle sector has an impact on fuel use and therefore helps reduce emissions, supported training for local lorry operators should be considered. Savings on fuel consumption/CO2 as high as 20% with an overall long term effect of 5 to 7% have been achieved.
7. We would also like to remind policy makers that targeted low emission bus zones have been demonstrated to be very effective in tackling air quality problems in non-compliant areas.
8. Clean Air Zones should not be seen as permanent measures. They should be abolished when they are no longer needed to achieve the mandated EU standard. It is “Gold Plating” of the regulations to allow Clean Air Zones to operate in areas where compliance is not a problem or to operate when compliance is achieved without the Clean Air Zone.

**Question 2: Please provide evidence on what else could be done to support people to upgrade or retrofit their vehicles in line with the assessment criteria set out above. If there are specific sectors that need support, please set out evidence to support this. Please provide evidence on potential limitations to uptake (e.g. industry capacity, refuelling infrastructure, consumer acceptance, examples of where retrofit has not worked as expected) and evidence of environmental impacts and the costs of potential technology for different vehicle types.**

1. There is no retrofit option in the Heavy Vehicle Sector that will be ready prior to any Clean Air Zone city introductions. It has also been seen from the Bus retrofit that ongoing costs of maintenance increases substantially.
2. Alternate fuels will be an option but these are too far away with insufficient vehicles available over the next five years.
3. Technology is lacking on electrification and infrastructure on all alternative fuels is very poor.

**Question 3: We welcome views from stakeholders on what else government and industry can do to support local authorities to encourage the uptake of ultra low emission vehicles.**

1. Local authorities do not understand the financial impact of the move to restrict lorry movements to Euro VI vehicles and the consequences on small businesses. Businesses expect an economic life span of 12 years from their vehicle purchases. Time needs to be given to allow businesses to adapt to changes - a retrospective move to Euro VI only will damage the local economy in a clean air zone.
2. If, after other measures have been shown to be ineffective, a chargeable CAZ is the only option to achieve targets in areas of non-compliance, then the use of our suggested intelligent phased charging should be adopted to encourage the uptake of more Eco friendly vehicles.

**Question 4: Please provide evidence on how the measures to support individuals to switch to other forms of transport set out above could be designed to meet the assessment criteria. In particular, responses could include suggestions on:**

- How the ideas above could be designed to support those most in need such as low income households or small businesses
- How the options could be geographically targeted at people most affected by local air quality interventions
- What else could local authorities or industry could do to encourage people to change their mode of transport, including measures such as communication campaigns.

1. This question is primarily related to passenger transport. We believe that Modal Shift in the Heavy Vehicles sector will not address the local air quality issues. Urban area modal shift is not a realistic option as final mile delivery would still require heavy vehicle movement from rail heads, outside of any CAZ, to final delivery point.

**Question 5: We welcome views from stakeholders on how local authorities could use exemptions to support individuals and businesses affected by a charging Clean Air Zone taking into account the assessment criteria set out in this document and working within the terms of the Clean Air Zone Framework.**

1. We suggested some alternatives in Q1 such as phasing out of older Euro standard vehicles over a period of time and if considering charging then a phased charging option, this would see the most polluting vehicles being taken out of service early, without destroying the economy.

**Question 6: Please provide evidence on whether a targeted scrappage scheme could be designed to meet the assessment criteria. In particular, responses could include evidence on:**

- **How to target vehicles affected by local air quality measures geographically so as to:**
    - **Minimise the extent to which there are arbitrary winners and losers**
    - **Minimises overly complex implementation requirements**
  - **How to direct support to low income households or small businesses most in need of support**
  - **The impact a scheme could have on the car and van market**
  - **Suggestions on how to maximise value for money for the taxpayer**
  - **Suggestions on how a scheme could be delivered to minimise fraud, including how a scheme could be designed working with the second hand market**
1. Scrappage schemes although an option in light commercial vehicles and cars is more difficult in the Heavy Vehicle Sector due to the following:
    - a. The cost would be high; the average life span of a general heavy vehicle is 12 years, more for specialised vehicles, with high levels of use of older vehicles in the SME sector.
    - b. Due to CAZ Euro standards being set at Euro VI only for Lorries, the current second hand market for Euro VI is expensive. Scrappage may increase the cost of Euro VI due to a lack of supply.



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- c. There is a lack of Euro VI lorries to meet CAZ demand and service the economy.
- d. Scrappage in haulage sector may also raise competition issues.

To enable a scrappage scheme to work we suggest a phased scrappage scheme that includes Euro V initially is considered.

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<sup>i</sup> <http://ec.europa.eu/environment/air/quality/standards.htm>