



## **Response of the Road Haulage Association to the National Infrastructure Commission.**

### **“Freight Study Call for Evidence”.**

**2<sup>nd</sup> March 2018**

#### **Summary**

1. In late 2017 the Chancellor asked the National Infrastructure Commission to undertake a study into freight in the UK, covering road, rail, water and other modes. The full terms of reference for this study can be found at .
2. The NIC plan to produce an interim report in autumn 2018 that:-
  - assesses the economic impact of freight congestion and the potential benefits of improving freight efficiency;
  - identifies and assesses the new technologies and practices to improve freight productivity;
  - and the value and potential effectiveness of different approaches to reducing the carbon and air quality impact of freight.
3. A final report is expected in spring 2019 to recommend changes to infrastructure, regulation, industry practices, and the government’s investment priorities in the freight sector, in order to deliver an efficient and low-carbon freight system over the coming 30 years.

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

4. 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.
5. 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.
6. We would like to thank the National Infrastructure Commission for the consultation and the opportunity to comment on the issues raised.

## General Comments

7. Freight is of fundamental importance to society. Regardless of mode, road, rail, water or air, the people and businesses of the UK depend upon the effective movement of goods. No house can be built, no car can driven, no factory can work, no bicycle can be bought, no supermarket supplied with food without the need for freight movements. Freight is essential for all of us.
8. Freight is taken for granted by policy makers and infrastructure providers – undervalued, priority is usually given to other things rather than the moving of the goods we all need for our daily lives. We see too many examples where the need to move goods, and the needs of the businesses that do this work, is not properly taken into account by policy makers.
9. For road freight we see examples of this problem. Our members work on the UK road networks every day – it is the place of work for the thousands of businesses working to deliver OUR goods.
10. To highlight just a couple of problems, the lack of parking facilities for driver rest is a disgrace, the levels of congestion are appalling and wasteful, the regulations for the sector are fragmenting and the state of the roads is dreadful.
11. The industry is the home for tens of thousands of successful, mostly small, businesses that only exist because they meet the needs of their customers. It is creative, flexible and adaptable. It is also highly regulated with controls over vehicle design and condition, licensing of all operators, the maximum hours drivers may work and the compulsory requirement for extra training for all lorry driver to name just a few.
12. However, too often we are now seeing new regulatory restrictions being imposed on infrastructure use that wilfully ignores the financial and technical commitments already made by businesses. A lorry has a broad commercial life of about 12 years (more for specialised vehicles) – it is vital that true vehicle life spans are taken into account when making infrastructure and regulatory changes. Failure to do so will result in massive cost and companies being put out of business.
13. The road haulage industry is committed to improving environmental and safety performance. It embraces technology change, and it will always adapt. What it needs is good quality infrastructure and well thought through regulation at local, regional, national and international levels.
14. The Road Haulage Association has focussed our consultation response on road freight. However, many of our concerns will apply equally to other modes.

## Responses to Questions

**Question 1. What are the key constraints to the effective and efficient movement of freight in the UK and what can be done to overcome them?**

**Q 1.1. What do you see as the key drivers to a successful freight system that is fit for the future?**

The key driver for efficient movement is congestion free and free flowing traffic. This allows operators to make journeys with consistent timing. Roads free of roadworks, in good condition and with good messaging signage, which is capable of offering alternative routes in the event of serious incidents is needed.

Networks also need to work for drivers. Basic facilities to statutory rest are totally inadequate. In addition there is a lack of toilet facilities – this is unhealthy for drivers who are fundamental to a well-functioning system for moving freight.

**Q 1.2. Which are the key freight corridors that matter the most? Where are the bottlenecks in the freight network, and what investments in upgrades could deliver the best value for money for freight efficiency and UK plc?**

The Strategic Road Network (SRN) is the key road network, supported by proposed Major Road Network (MRN) roads and priority local authority roads.

There are numerous bottlenecks on the SRN, these are well known to Highway Authorities.

Where the SRN meets the MRN and local authority roads, particularly in the vicinity of motorway junctions, there are significant problems.

Cities and major towns experience considerable bottleneck congestion which needs to be addressed.

**Q 1.3. To what extent are the economic benefits of freight factored into wider transport infrastructure investment planning?**

We see examples where freight is considered as an afterthought or is simply viewed as a problem. We have concerns that the movement of goods is undervalued in economic appraisal, this should be considered further. Freight connectivity is particularly important for peripheral areas of the UK. Connectivity for business is badly undermined by poor network performance and congestion.

The new draft London Plan is a good example of an anti-freight approach where connectivity and the need to move goods is pretty much overlooked.

**Q 1.4. What are the regulatory and legal issues that, if changed, could improve freight efficiency without increasing costs or reducing efficiency?**

Reducing the administrative burden of tolls and congestion charges imposed on commercial vehicles will help. Elimination of these unnecessary frictions would improve efficiency (or perhaps incorporating these charges into the Road User Levy). In London change to the London Lorry Control Scheme, introduced in 1986, it is long overdue.

## **Question 2. How might the demand for freight develop and change over the next 20-30 years?**

### **Q 2.1. How has the demand for freight, and types of freight, changed over the last two decades, and what will be the drivers for changes in the future?**

Demand for road freight overall will continue to largely track economic performance. We would expect increased goods movement due to the increase in population and the range of products that are now available to consumers.

The internet has created a demand for changed models of home deliveries, this is expected to continue. Demographic changes, with an ageing population, are likely to be key drivers for future freight requirements, the impact of this needs to be studied. Housing needs will determine what is required in terms of construction materials and once built, consumables for the occupants of these dwellings.

### **Q 2.2. How is the freight industry planning for future changes in the demand? What levers might be available to shape future demand for freight transport?**

The road haulage industry generally operates to current and near term demand. Demand is driven by customers – how freight is moved may be subject to “levers”. However, ill-conceived and poorly thought through legislation, such as London’s Direct Vision Standard and current Clean Air Zone proposals, show how “levers” imposed on sectors can be very damaging.

## **Question 3. What effects does congestion have on the efficiency of freight movement and emissions?**

### **Q 3.1. How does congestion impact upon the productivity and economic contribution of freight? To what extent does congestion affect changes to mode, time or other freight choices?**

Congestion undermines the productivity of road freight. It is not just the foreseeable congestion, which can be planned against to some extent, it is the punishing impacts of unreliable journey times. Congestion is wasteful, adds dramatically to emissions and undermines the competitiveness of the UK.

A journey that should take an hour, but takes two hours, doubles the cost in driving time for the driver, increases wear and tear on the vehicle and increased fuel cost – for no benefit at all.

Night time deliveries are used as part of the solution as journey times are predictable for the most part, but they are not always practical. Avoiding known peaks where possible is part of normal routine planning too.

**Q 3.2. How does congestion affect the environmental impacts of the movement of freight?**

Congestion creates slow moving, or stationary traffic. Free flowing traffic uses less fuel and less concentrated pollution.

**Q 3.3. With limited space for new infrastructure, how can we better use our existing urban network to support freight? Are there changes – such as changes to modes, methods, or delivery times - that could help reduce the stress on the urban transport network?**

There is not always limited space for new infrastructure. It is wrong to take the idea of new infrastructure off the table as a solution to providing for the movement of goods and people.

We are concerned about the focus on freight as a problem that is implicit in this question. Freight has to be moved, not only that, most of it has to be moved by road. It is rare for freight vehicles to be the major contributor to congestion – it is the victim of congestion in most cases.

Roads are for all road users, making existing road space available by allowing HGV's to use bus lanes may help. Traffic management needs to be focussed on improving journey times and reliability. Where possible, night deliveries should be encouraged not stopped as now happens with the anachronistic 30 year old London Lorry Control Scheme.

**Question 4. How can freight lower its carbon and air quality impacts?**

**4.1. Are there efficiencies within freight management and distribution practices that could help reduce the CO<sub>2</sub> and NO<sub>x</sub> emissions from freight?**

Yes. Improvement can be made – but not in all cases.

All efficiency measures will improve CO<sub>2</sub> and NO<sub>x</sub> emissions.

Fuel is the biggest cost to any operator and therefore they will already try to be as efficient as possible when routing and planning. For many, improvements in route planning will help.

Restricted Licence holders are not permitted to collect or deliver goods for third parties. About half the commercial fleet is therefore banned from making any efficiencies regarding backload or complimentary freight movements. This is an area that could be addressed by insisting that all operators have standard operator licenses (for instance many bakery lorries will make deliveries daily and then return empty, with standard operating licenses these vehicles could in fact be used to make collections for other businesses).

There is room for improvement with driver training, but it MUST be targeted and where possible, use telematics to carry out follow ups. Most training is effective initially but there is fall back into old routines over time (in larger fleets we note that businesses that carry out weekly telematics checks and address underperforming drivers have great long term results).

The lack of a cost effective retrofit option for the Euro V fleet and below is now playing havoc with the sector. Euro VI lorries will not be available in sufficient numbers to meet the blanket demands currently being made for Euro VI compliance by all Local Authorities in their Clean Air Zone proposals. The sector need a Retrofit that is funded by Government this will allow the SME's that have older vehicles to retrofit to a recognised Euro VI standard.

**Q 4.2. What role do alternative fuels such as electricity, Liquid Petroleum Gas and biofuels have to play? What are the barriers and challenges to wide-scale uptake of alternatives to diesel and what could be done to help remove these issues?**

Although other fuels technology may have a large part to play in future, there is no short term alternative to Diesel. Again we would draw attention to the life cycle of a lorry at about 12 years. Uncertainty over local, national and international policy is causing operators to delay purchases of todays Euro VI lorries. Operators need to know that they can use vehicles purchased without substantial new restrictions for their full operating life.

The infrastructure for all other alternative fuels is not in place. The current HGV vehicle park runs into hundreds of thousands of lorries with over 50% still Euro V or below until 2020.

Gas is uncertain and there are current 5 Gas refuelling locations in the UK. We are still unsure that a gas lorry is any cleaner than Euro VI Diesel. Hydrogen electric vehicles may be practical, but that is yet to be clear.

The electrical infrastructure is also lacking, this may be the future but the technology and infrastructure needed is uncertain.

Unless we can be sure that gas options are cleaner and the infrastructure is made available for gas and/or electric then we should look to advance based on Euro VI derivatives.

**Q 4.3. What technologies could best and most realistically be utilised to manage the carbon impacts of freight, both within urban areas and on longer strategic journeys?**

Improved network performance and resilience through better information and telematics to inform drivers of delays and alternative routes should be a continued priority. This will help to avoid problem areas and to ensure free flowing traffic, thus improving air quality and CO2 emissions.

Medium term, many city deliveries could be made using electric lorries. This will not suit all movements, but the technology and vehicles are coming online quickly now. For longer journeys rail freight is already successful where it can be competitive, this is likely to continue – but linking to the supplier and the end customer will still usually require road transport. When done with electric vehicles (road and rail) this will also improve carbon performance (providing the grid is low carbon).

Longer and heavier lorries will have the ability to reduce carbon impacts. Double trailer combinations in particular will have a significant impact if a network to accommodate them could be available.

Platooning may give positive results in some circumstances, but in itself is not expected to be significant. (Platooning is important for the possible development of autonomous vehicles).

**Question 5. How could new technologies be utilised to increase the efficiency and productivity of UK freight?**

**Q 5.1. How will new technologies change the capacity and performance of the freight transport network? Over what timeframes might these new technologies begin to affect the freight transport network?**

New technology will improve capacity and performance, collision avoidance, lane control and other systems are already doing this. Telematics are constantly improving and each new vehicle has improved on the previous model. As far as timeframes go, this is already happening.

**Q 5.2. How can the use of data such as real-time traffic information by artificial intelligence and machine learning systems help to improve freight efficiency and**

**productivity? How might this affect the business models and requirements of freight in the future? Are there any barriers to the greater use of data in freight?**

Real-time information is already used and will develop and improve over time. AI is still in its infancy and is already used in warehouse environments. Provided Data Protection principles are adhered to, data can be used for the benefit of everyone.

**Q 5.3. How do you see technologies such as HGV platooning, digital railway signalling, and autonomous vehicles being integrated into freight distribution?**

The platooning technology is in its infancy, and will have to be fully evaluated. Current platooning is not likely to be the end state – it is a step on the way towards autonomous vehicles. The potential is there, if the benefit is worthwhile industry will embrace these concepts.

It should be noted that autonomous vehicles will not reduce the customer requirements for goods to be moved, so demand for freight transportation is not expected to reduce.

**Q 5.4. How might regulations and physical infrastructure need to adapt to new technologies and business models in the freight sector?**

Regulation needs to be proportionate and sensible, to ensure it works for new technologies and is enforceable by deterrent measures.

Regulatory changes must not undermine the value and utility of existing equipment prematurely and without clear justification. The current policies around Euro VI mandating for clean air zones is a great example of how damaging measures can be introduced (with good intentions) if industry asset life is ignored.

Physical infrastructure should be able to accommodate new technology, however technology can fail and resilience is key to success. Safety for all road users is of fundamental importance for all new technology investments.

Picking winners in the technology arena is going to be very difficult. Caution is needed around speculative new technology investments. Sometime we may be better off fixing simple things like potholes and sign rather than grand uncertain projects.

**Question 6. Are there good examples internationally of freight systems, policy, infrastructure or technology development and implementation that the UK can learn from to increase freight efficiency and/or reduce the carbon and congestion impacts?**

France is a good example of a road infrastructure that has been properly planned and sufficient investment made, where there are many resilience routes and minimal





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congestion. Cities and large towns have ring roads and there are few pinch points. Those that do exist work well to encourage free flowing traffic. Free flowing traffic is the solution to congestion and air quality issues. Congestion causes pollution.

## **Final Comment**

15. The customer is key - a lorry only moves if a customer wants a product and is willing to pay for the collection or delivery. Accommodating freight demand needs to be at the heart of all infrastructure planning.

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