

Cynulliad Cenedlaethol Cymru  
Y Pwyllgor Newid Hinsawdd,  
Amgylchedd a Materion Gwledig  
Ansawdd Aer  
NHAMC (5) AA11  
Ymateb gan Y Gymdeithas Cludiant  
Ffyrdd

National Assembly for Wales  
Climate Change, Environment and  
Rural Affairs Committee  
Air Quality  
CCERA(5) AQ11  
Evidence from The Road Haulage  
Association

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## Summary

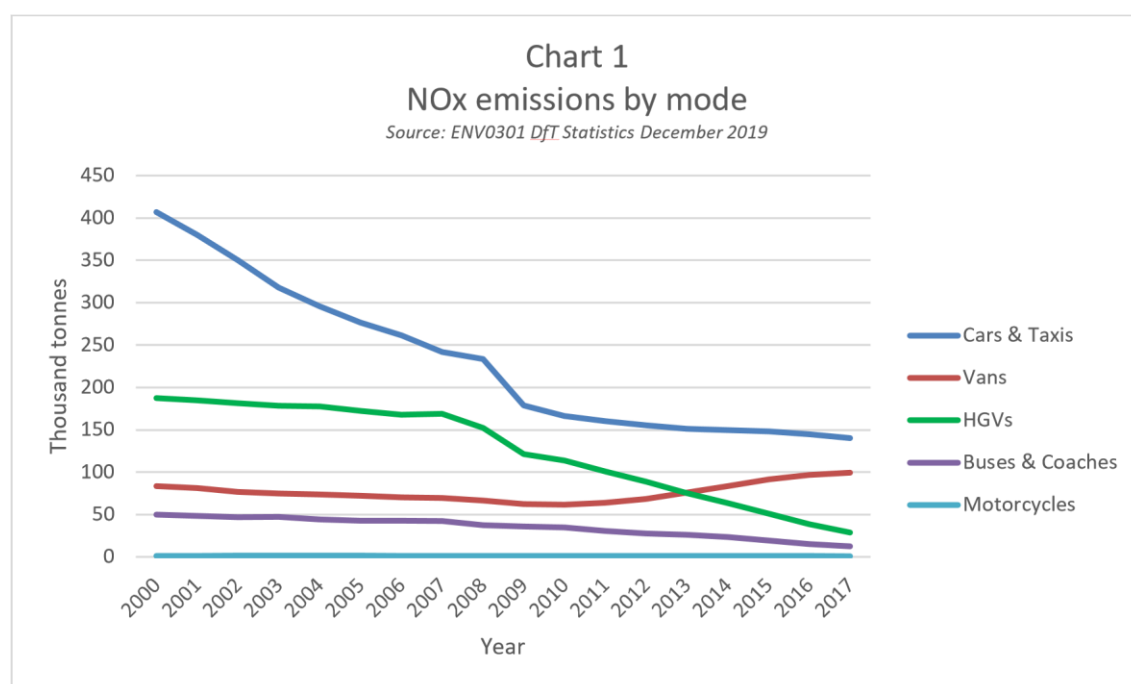
1. We would like to thank the Climate Change, Environment and Rural Affairs Committee for its consultation on the Welsh Government's air quality plans and the opportunity to comment on the issues raised.
2. Our response focuses on the following question from the consultation *What are your views on the regulatory proposals relating to... Clean Air Zones / Low Emission Zones?* In formulating our response, we have taken note of the guidance set out in the Welsh Government's Clean Air Zone Framework for Wales (2018). Our response is also informed by our experience of the Clean Air Zone regulatory framework introduced in England in 2017 by the Joint Air Quality Unit (JAQU) sponsored by DEFRA and the Department for Transport (DfT).
3. The RHA supports the policy aim to improve local air quality but disagrees strongly with the Clean Air Zone (CAZ) approach taken in England to date. The focus in England has been to create a CAZ model that emphasises high charges for pre-Euro VI lorries. The RHA and others have highlighted the problems this approach is causing to the haulage sector, and the ineffectiveness of that approach to focus solely on certain vehicle types (e.g. HGVs and buses) while ignoring other factors and other vehicle types. This model is expensive, inflexible and not as effective as it should be.
4. We are calling for DEFRA/DfT to conduct an urgent review to ensure that the English CAZ model is fit-for-purpose. In our view, the English CAZ framework needs to be reformed so that it is flexible and sensitive to local needs, whilst also realising its core purpose of reducing harmful NOx emissions.
5. Given our position, we believe the Welsh Government has an opportunity to design and champion a Clean Air Zone framework that works for all.

## Background about the RHA

6. The RHA is the leading trade association representing 7,200 road haulage and distribution companies. Our members operate around 250,000 HGVs (i.e. half of the UK fleet), ranging from a single-truck company to those with thousands of vehicles.
7. We proactively encourage a spirit of entrepreneurialism, compliance, profitability, safety and social responsibility. We do so through a range of services, such as advice, representation, and training.
8. We work alongside policymakers and haulage companies to identify ways to move freight more efficiently at a lower cost based on our widespread knowledge and expertise in the area.
9. Our comments are set against a context where:
  - a. 85% of HGV operators are SME businesses, and typically work on a 1% or 2% profit margin. Any additional cost incurred cannot be absorbed, and will either be passed on to the consumer or cause the HGV operator to go out-of-business.
  - b. the purchase cost of an HGV starts from £80,000 and its life span is typically 12 years. In the case of low mileage, specialist-built vehicles, the lifespan can be much longer and cost considerably more to purchase.
  - c. 98% of all goods consumed in the UK are moved by road, with 2.54m people employed in the haulage and logistics sector, and more than 524,000 HGV's over 3.5 tonnes operating on UK roads. Not only does the haulage industry not only make a significant contribution to the economy (£124bn GVA), it also plays a fundamental role in facilitating the operation of other sectors, such as construction, housing, food, and retail.

## RHA response

10. Since 2013, the RHA estimates that the NO<sub>x</sub> emissions from HGVs have fallen by around 60%.<sup>1</sup> Data published separately by the Department for Transport – see chart 1 – confirms this downward trend.
11. Despite a £2.3bn investment by hauliers in the latest, cleanest lorries, DEFRA/DfT has pressed ahead with a flawed, discriminatory CAZ framework in England that the RHA believes, ultimately, will be counterproductive.



12. There are two key flaws with the English CAZ model that we urge the Committee to note. First, basing CAZ compliance on the Euro VI diesel emission standard is an inflexible and indiscriminate way to reduce emissions, as it does not account for lower emissions from other Euro standards (e.g. Euro V). Secondly, targeting vehicle-types by “class” without taking into account different emission levels within each vehicle-type is also discriminatory and unfair. Based on the emerging evidence at the time of writing, of the ten

<sup>1</sup> See: RHA NO<sub>x</sub> Emission Assessment – April 2019 (available from: [www.rha.uk.net](http://www.rha.uk.net))

English local authorities who have published firm CAZ/LEZ plans, six are choosing not to impose charges on non-compliant cars.

13. The RHA believes that CAZ policies should work with the normal vehicle replacement cycles and should not undermine business investment in vehicles (as is the case now). The focus should be on vehicles over 12 years old across all vehicle-types (ie. cars, vans, taxis, vans, and buses). Policy should also provide consistent and appropriate incentives for owners of the oldest, most polluting vehicles to upgrade to newer cleaner vehicles. Failure to do this is resulting in an excessive and unnecessary cost to businesses and consumers.
14. Based on feedback from our members, we regret that the English CAZ model has caused the resale values of non-Euro VI lorries to fall. We are particularly concerned about the effect CAZ has had on the Euro V fleet, that accounts for 120,000 lorries or 24% of the current UK HGV fleet. Compounding this effect is a market shortage in second-hand Euro VI lorries that has caused the price of that product to rise.
15. Aggravating the problem is a failure by policy makers to recognise the perfectly-competitive nature of the haulage sector and the price benefit this derives for consumers in low transport costs. Unless limited specialist exemptions apply, adding costs impact the viability of SME businesses who are forced to pay uneconomic prices to upgrade vehicles.
16. We believe the English CAZ model will ultimately be counter-productive due to the increased use of vans to transport freight otherwise carried by non-compliant HGVs priced out of a CAZ. One 44-tonne HGV is equivalent to 12 largest vans of up to 3.5-tonne capacity. A trend of replacing HGVs with vans is likely to cause more congestion and more air pollution - see chart 1.
17. The flawed English CAZ model is compounded by two further policy errors, which we urge the Committee to take note. First, retrofitting is not a viable option for most HGV operators. Secondly, a loophole exists in the English model as enforcement of non-compliance against nonUK registered lorries is not possible.

## Recommendations

18. In line with the guidance set out in the Welsh Government's Clean Air Zone Framework for Wales (2018), we strongly recommend that the Welsh Government examines all non-charging options to reduce NOx emissions. This includes:

- a. provide training courses on eco-driving;
- b. enforcing anti-idling measures;
- c. optimising traffic flow;
- d. designing effective smart car-sharing schemes and other behavioural change that encourages and incentivises modal shift;
- e. investing in public transport.

## Final Comments

19. The Road Freight sector is the 5<sup>th</sup> largest industry in the UK and has made significant investments to improve air quality. Over recent decades, UK air quality has improved significantly thanks to concerted action at all levels.

20. The RHA recognises that poor air quality is a serious environmental risk to public health, and our membership is committed to investing in the technology needed to achieve clean air. However, the regulatory framework underpinning clean air must support the investment lifecycle

(typically, 12 years) that hauliers make. Based on the learning from England, the Welsh Government has an opportunity to design a CAZ framework that is fit-for-purpose and works for all. The RHA stands ready to work with the Welsh Government to achieve this.