



16th April 2018

Rt Hon Chris Grayling MP
Secretary of State for Transport
Department for Transport
Great Minster House
33 Horseferry Road
London, SW1P 4DR

Dear Secretary of State,

Clean Air Zones and HGVs

As a coalition of trade bodies representing a significant proportion of the road freight industry we welcome the Government's commitment to improve air quality in our communities.

However, we write to ask for a meeting with you to draw to your attention a number of matters relating to the introduction of Clean Air Zones (CAZs) and how they will apply to HGVs. We believe that the current approach being proposed by many Local Authorities (LAs) will in effect create an additional tax on thousands of businesses and disrupt supply chains across the country, whilst failing to deliver the significant air quality improvements that we all seek.

We have outlined our chief concerns in summary form below, together with some initiatives that we believe can mitigate those concerns whilst still fully supporting the overall aim of improving air quality.

HGVs are an integral part of the economy at both national, regional and local level. Currently, there are no viable alternatives to diesel in terms of HGV motive power. Over 90% of everything we eat, drink, wear and build with will travel on a HGV at some point in the supply chain.

Our main concerns are that:

1. A number of local authorities appear to be primarily focussing on HGVs in term of proposed charging for CAZ, and not focussing charges on other road users. There is a significant danger that this approach will be seen as a stealth tax on our industry rather than as a well thought through component of an overall approach addressing emissions from all road users.
2. There appears to be no phased approach matching the charge to emission standard. Only Euro VI will be exempt, and then, for example, a Euro V would face the same charge as a much more polluting Euro III.
3. The proposed HGV charges for all HGVs other than EuroVI are of the order £100 per day. This is a very substantial sum as a percentage of the total costs of operating a HGV. As an indication, a typical 'hire and reward' HGV might have a typical daily operating cost of the order of £400 per day. A CAZ admission cost of £100 will significantly increase costs to consumers. In cases where

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the operator cannot pass on the extra cost it may well threaten their ability to continue in business.

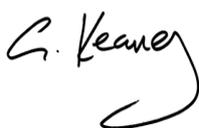
4. Even if an overwhelming number of HGV operators opted to immediately upgrade their fleets to Euro VI, there is unlikely to be sufficient HGV production capacity.
5. There is currently no approved Euro VI retrofit option for HGVs. If one were to be developed, the likely cost is estimated to be in the region of £16,000 to £20,000, so it would only be a potential option for operators of high-value specialist vehicles.
6. The life of a HGV is typically of the order of 12 years and the cost of upgrading to newer vehicles outside of the normal fleet replacement cycle will be expensive for operators. In some cases, particularly for operators that fall within the scope of being SMEs, this cost could result in businesses ceasing to trade.
7. Different CAZ regimes in different LAs will result in a mosaic effect which will cause severe operational difficulties for fleets that operate across the country.

In light of the above we are proposing that central government should require LAs to consider the following in the design and implementation of their CAZs:

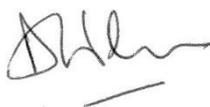
1. That sufficient resources be applied to identifying congestion hotspots and improving traffic management in these areas to reduce emissions to minimise the need to charge any road users including HGVs.
2. Granting exemptions from charging for deliveries taken at times when roads are less congested, for example at night.
3. Allowing HGVs to use Bus Lanes at certain times. Giving HGVs access to the bus lanes outside of commuting hours would enable them to operate as efficiently as possible and avoid them sitting in congestion idling. A lorry stuck in congestion, stopping and accelerating back up to 30mph three times a mile triples fuel consumption compared to cruising at a constant speed.
4. A phased approach to any charges levied on HGVs so that the admission charge reflects the Euro standard of the vehicle concerned.
5. Granting a sunset clause to allow a reasonable amount of time for operators to upgrade vehicles.
6. That LAs should adhere to common standards of signage, phased implementation and phased charging.

We have a great deal of detailed information that we can share with your officials. However, in the first instance, we request an urgent meeting so that we can share our strategic concerns with you in this important area. We stand ready to provide any further information or insight that you or your officials may require. If you would like any further information please contact Gerry Keaney on gerry@bvrla.co.uk.

Yours sincerely,



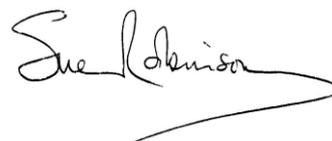
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