



Transport for London
Palestra House
179 Blackfriars Road
London
SE1 8NZ

5 January 2015

Dear Sir or Madam,

Re: TfL consultation on the Ultra-Low Emission Zone

The BVRLA welcomes the opportunity to contribute to Transport for London's consultation on the proposed Ultra-Low Emission Zone (ULEZ) in London. We recognise the importance of reducing current emissions levels in London, and the well documented health risks arising from poor air quality.

Environmental standards of rental and lease vehicles

The UK rental and leasing market currently purchases an estimated 1 million vehicles (including 308,000 UK-made vehicles) per annum¹. As these vehicles are brand new and built to more recent environmental standards, they give off less CO₂ or nitrous oxide emissions than older, higher polluting vehicles (according to a report carried out by the Society of Motor Manufacturers and Traders, the average car on UK roads is 7.6 years old²). To illustrate the environmental benefits of rental vehicles over private cars: In 2010, average emissions from UK rental cars were 146g CO₂/km, more than 12% lower than the average for the UK car fleet (164g CO₂/km).

The Ultra-Low Emission Zone

The BVRLA supports the proposal to create an Ultra-Low Emission Zone in London, in addition to other Low Emission Zones in cities and regions across the UK, in order to lower the amount of pollutants which reduce air quality. As rental and leased vehicles are typically the cleanest and greenest on UK roads, this would be supported by the industry – provided that ensuring compliancy with the set emissions standard is both affordable and easily accessible.

¹ The Economic Impact of the Motor Vehicle Full-Service Leasing and Renting Sector (Oxford Economics, November 2014) at:

http://www.bvrla.co.uk/sites/default/files/documents/economic_impact_of_the_rental_and_leasing_sector.pdf

² SMMT report, "Motor Industry Facts 2013", at: <http://www.smmmt.co.uk/wp-content/uploads/sites/2/SMMT-2013-Motor-Industry-Facts-guide.pdf>

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In terms of the London ULEZ however, the proposed scheme must have a viable timetable toward implementation for business to prepare, and that imposed emissions standards should be strict enough in order to make a viable difference to London's air quality. We are also concerned that the ULEZ will not be introduced until four years after the Mayor's current term of office, and his pledge to make taxis zero emission 'capable' will not be enacted until two years after his term ends. We believe a firm timetable toward implementation is required to both enable business to prepare ahead of implementation and address current air quality targets.

Alternative forms of transport – car rental and car clubs

While the BVRLA supports, in principle, the acceleration in the uptake of vehicles with zero or near zero emissions, we urge both the Mayor and TfL to consider how to promote alternative forms of transport within the ULEZ. In particular, both car rental and car sharing can have significant benefits to the individual motorist, and to the city as a whole. For example, the economic analysis firm Frost & Sullivan³ has estimated that increasing car sharing in London to 800,000 members (from a current total of 615,000) could result in 79,000 fewer cars on the road, easing traffic congestion and further reducing environmental impact, with estimated 4.6% fall in NOx emissions and a 4% fall in CO2 emissions. As well as reduced congestion, Frost & Sullivan calculate that this could generate increased London-wide productivity to the value of £238 million.

According to data collated by the BVRLA, regular car rental customers and/or car club members are also less likely to purchase a car, further reducing congestion and transport emissions in the respective region. According to the BVRLA Rental Customer Survey⁴, over a third of respondents who rented a car in 2012 did not own a car in their household, compared to a national 9% average of households with a full car licence holder who do not own a car. 26% of renters also said that the availability of car rental made them less likely to buy a household car in the next few years, with a further 15-24% of renters explicitly said that the opportunity to rent had meant that they had bought a vehicle later or owned fewer vehicles than they otherwise would have done.

The projected rise in car sharing over car ownership presents an opportunity for London. In allowing members of such clubs to use a car when required (as opposed to owning a vehicle outright), car clubs and car rental can make an important contribution to the reduction of carbon and other emission levels, improving air quality and reducing private car dependency as part of a broad range of sustainable transport measures. This will also assist in de-fleeting of older, more polluting vehicles in favour of newer models with higher safety and environmental standards. Car clubs and car rental can also increase local resilience, improve access to job opportunities and help support local businesses by providing alternatives to the purchase of vehicles.

For these reasons, the BVRLA urges TfL to consider means of promoting the use of car rental and car clubs, especially within the ULEZ. One proposal could be to enable users to rent these vehicles through the Oyster card system.

³ Frost & Sullivan *Car Sharing in London – Vision 2020* report, available at: <http://www.zipcar.co.uk/london-vision>

⁴ BVRLA Rental Customer Survey (2012) at: http://www.trl.co.uk/online_store/reports_publications/trl_reports/cat_traffic_and_transport_planning/report_rental_customer_survey_2012.htm

Transitional period

Notwithstanding the requirement of a clear and accessible timeframe for businesses to prepare, the BVRLA urges TfL to be flexible in its introduction of the ULEZ. To take a recent example, when the Low Emission Zone was introduced in London in 2012, this included a first year implementation period in which (first-time) offenders received warning letters, advising them of the new LEZ and its compliance requirements, rather than an automatic penalty. In order to ensure that business and individuals are sufficiently aware of the introduction of the ULEZ, the BVRLA propose a similar 12 month transitional phase during which drivers of all non-compliant vehicles will receive written notices of the new scheme, to ensure all motorists are better informed of their obligations over this period.

This approach would also enable TfL to develop an impact assessment on potential costs of vehicles travelling through both the LEZ and the ULEZ during this period. This data could be used in considering and developing a programme of charges for those commercial vehicles that regularly travel through both zones, and potential reductions and/or exemptions, if appropriate.

Commercial Vehicles

The BVRLA notes that residents within the ULEZ will be awarded a three-year sunset period in which to comply or upgrade vehicles to the required emissions standard. However, we are unclear however whether this will apply only to domestic residents, or whether business residents will also be eligible for this temporary exemption. We believe that businesses operating within the ULEZ should receive the same exemptions as domestic residents.

There are currently fourteen rental and/or lease operators based within the ULEZ (many of whom are members of the BVRLA). In addition, there are eleven car dealerships within the proposed zone, as well as various other retail and other enterprises whose business require regular delivery of goods to premises within the ULEZ. As previously highlighted, rental and leased cars are typically the cleanest and greenest on UK roads, as these are purchased brand new from manufacturers or suppliers, and will conform to the most recent environmental and emissions standards, as well as those relating to safety and economy. Rental cars will typically be part of a member's fleet for between 4-6 months, after which the vehicle will be sold to a private owner. Lease cars are typically operated on thirty-six month leases after which the vehicle will again be sold on to the aftermarket. For this reason, we are confident that the overwhelming majority of rental and lease vehicles operated by BVRLA members will conform to the ULEZ emission standard.

However, it is important to note that technology for commercial vehicles – especially Heavy Goods Vehicles (HGVs) – is not as advanced as that of cars. In particular, transporters which can deliver many of the new low or near zero emissions vehicles to car showrooms and rental and lease sites within the ULEZ will be operated for approximately seven years longer than that of cars. For this reason, the BVRLA requests that the ULEZ regulations are extended for these vehicles until 2025, five years beyond that of the 2020 deadline to provide time for technology to be developed to allow these vehicles adapt to the ULEZ.

Payment of LEZ and ULEZ fees

As HGV and Light Commercial Vehicles (LCVs) are required in both delivery of goods and the low emission vehicle trade within the ULEZ, it is likely that there will be vehicles which will be required to travel across both the LEZ and ULEZ zones. While the consultation documents make clear that both charges will operate independently (i.e. drivers travelling between zones will be obliged to pay both charges), the BVRLA urges TfL to consider a fair and simple approach to allow users to pay both charges simultaneously. This could be payable via a single portal on the TfL website, or via a single telephone number.

Funds raised from ULEZ fees and fines

There remains a suspicion among some that the introduction of the ULEZ is aimed at raising revenue, rather than reducing the level of emissions and improving air quality in London. To address this concern, the BVRLA proposes that all funds raised as a result of the ULEZ – through fines or fees collected from non-compliant vehicle owners – should be used for transport improvement projects, with a particular focus on those with the additional aim of reducing emissions in the capital.

Extension of the ULEZ standard – a “near zero” approach?

Under paragraph 15.6 of the Supplementary Information document, it is declared that “a strengthening of the ULEZ emissions standard will be considered at a later date”, taking in to account factors such as developing technologies, the availability of vehicle models and their associated costs. In previous discussions with TfL, a “near zero” emissions standard has been proposed.

In order to allow drivers (both private owners and business operators) to adapt to the required standards of the ULEZ, we propose a minimum five-year period from the ULEZ being in place before any additional standard is imposed (though this period could also include a consultation and phasing-in period for such a near zero standard).

A National Framework for Low Emission Zones

In addition to the proposed London ULEZ (as well as the existing Low Emission Zones), there are five Low Emission Zones currently in operation throughout England, and fifteen local authorities across England have been allocated prime funding from the Government to develop similar Low Emissions Zones. As these zones are implemented and new zones are introduced, the BVRLA believes that a harmonised approach to the emission standards to be imposed, as well as in developing and implementing systems for checking and enforcement, will be required to prevent disparity between various zones, and the economic effects this could have upon operators transporting goods and/or vehicles between such cities.

For these reasons, the BVRLA supports the proposal by the House of Commons Environmental Audit Select Committee for a national framework to provide guidance on a common nationwide emissions standard for Low Emission Zones throughout the country, thereby giving consistency and certainty for business involved in the transportation of goods between zones.

We welcome the opportunity to contribute to this inquiry, and will be happy to provide further evidence if requested.

Yours faithfully,



Jay Parmar
Director of Policy & Membership

Bona-fides: The BVRLA, the industry and its members

- Established in 1967, the British Vehicle Rental and Leasing Association is the UK trade body for companies engaged in the rental and leasing of cars and commercial vehicles. Its members operate a combined fleet of 3.3 million cars, vans and trucks.
- BVRLA members buy nearly 44% of all new vehicles sold in the UK, supporting around 184,000 jobs and contributing more than £14bn to the economy each year.
- Through its members and their customers, the BVRLA represents the interests of more than two million business car drivers and 10 million people who use a rental vehicle each year.
- As well as informing the Government and policy makers on issues affecting the sector, the BVRLA regulates the industry through a mandatory code of conduct, helping its members deliver safe, sustainable and affordable road transport to millions of consumers and businesses. For more information, visit www.bvrla.co.uk