

POSITION PAPER

Sustainable Urban Logistics

CLECAT is the Brussels based organisation representing the interests of more than 19.000 companies employing in excess of 1.000.000 staff in logistics, freight forwarding and customs services. European freight forwarders and Customs agents clear around 95% of all goods in Europe and handle 65% of the cargo transported by road, 95% of the cargo transported by air and 65% of cargo transport by ship.

In view of the increasing number of local and regional initiatives on urban freight transport, and the public debate throughout Europe demands action to improve local environments, CLECAT would like to bring several messages to the attention of local, national and European regulators.

The following developments stress the need for a better integration of freight activities in the urban transport system and to better answer the needs of citizens and businesses¹:

- Concentration of population in cities (72% of the EU population lives in cities, towns and suburbs, 80% by 2020);
- Changing urban freight patterns due to teleworking, ageing population, more densely populated urban areas, growth of e-Commerce;
- Urban freight as an important traffic component in cities (10 to 15% of vehicle equivalent miles);
- Very low load factors for delivery vehicles in cities (e.g. 38% for vans in London);
- European Policy for zero CO₂ emissions in cities by 2030.

More efficient integration of urban freight in the urban transport system

CLECAT believes in a holistic approach to decarbonisation of the transport chain, taking into account low-carbon energy use, increased efficiency and innovative, intelligent management of the transport system. Innovative urban logistics solutions, such as collaborative last-mile delivery based on digitised synchro-modality, can play a vital part in improving logistics efficiency, increasing customer value and reducing the environmental impact of the logistics chain.

Nonetheless, a patchwork of local and regional initiatives can lead to contradictory measures, distorting competition and diminishing their overall environmental impact. Moreover, it is essential that policy actions are based on market and technical realities, driving change but taking proper account of the alternatives available in the foreseen timeframe. Therefore before drafting new legislation, consultations and impact assessments are important to understand the challenges and the possible solutions. Operators must have sufficient time and information to adapt to incoming regulations.

¹ Source: ALICE Urban Freight Research and Innovation Roadmap <http://www.etp-logistics.eu/wp-content/uploads/2015/08/W56mayo-kopie.pdf>

Urban freight and impact of restrictions on diesel vehicles & innovation needs

In particular, policy actions concerning diesel vehicles in cities and urban areas are of concern to the logistics sector. Freight forwarders have been observing a recent increase in restrictions on diesel vehicles, aimed at tackling air pollution. Such initiatives typically include low-emission zones limiting access to only the most advanced vehicles, whether on a blanket basis or in times of particularly heavy pollution. CLECAT therefore wishes to draw regulators' attention to the following points which it believes should form part of any policy on diesel vehicles.

- For government supervision of compliance with driving restrictions, an interoperable, harmonised vehicle identification system would be the most suitable approach. CLECAT members note the proliferation of national/regional plaques, or vignettes, which they are required to display on their vehicles in order to transmit the same information but in different areas of Europe. Moving towards a single vignette, or mutual recognition of vignettes, would greatly simplify compliance for logistics operators.
- As long as alternative fuels and their refuelling and charging infrastructure are not widely accessible, the continued assurance of commercial transport and delivery services must be taken into consideration in the planning of urban transport policy. Simply preventing vehicles with diesel engines from delivering goods to urban locations, without the appropriate alternatives in place, will have serious economic consequences for the areas concerned.
- Innovation and the coordinated development of marketable and standardised alternative engine solutions is the ultimate means of relieving the impact of vehicle emissions in urban areas. Only the wide availability of new vehicle technologies will support efficiency gains of logistics supply chains and contribute to noticeable emissions reductions. CLECAT supports research and innovation to develop alternative fuels as a means to decarbonise transport and improve the efficiency of the transport system.
- All sustainable fuel options should be considered in conjunction with other measures, as a holistic approach combining low-carbon energy use, increased energy and vehicle efficiency, and smart demand management, which would all greatly serve to reduce the carbon footprint of transport and logistics. Nonetheless, alternative fuels are only a feasible and sustainable solution for urban logistics when adequate recharging and refuelling can be guaranteed across a wide area. Incentives for operators to move to alternative fuel options should also form part of urban logistics policies. This could include financial support as well as fiscal incentives/exemptions and access to infrastructure such as bus lanes in specific time slots for certain vehicles.
- The business case for shifting to electric vans is hampered by the requirements of the EU Driving Licence Directive. Many of the existing diesel-powered delivery vehicles which they would be replacing have a maximum authorised mass of under 3.5 tonnes, requiring a Category B licence. However, as the additional weight of the electric powertrain pushes the vehicle's tare weight beyond 3.5 tonnes without necessarily increasing its goods-carrying

capacity, a Category C licence is required. Given the already elevated cost of purchasing the vehicle, to which must now be added the cost of hiring qualified Category C drivers (which are in short supply) or retraining drivers to upgrade their driving license from B to C (an investment of around €3,500 per employee), this requirement renders the shift to electric vans prohibitively expensive.

Several EU Member States have pursued exemptions from the Directive's requirements, allowing electric vans which exceed 3.5 tonnes by a certain amount to be driven on a Category B licence. However, this requires an application to be made to the European Commission for a derogation, which is only valid for five years at a time, which is far inferior to the life cycle of the vehicle and companies' investment timeframes. The Driving Licence Directive should permit Member States to grant such derogations automatically, and without a time limit, in order to better incentivise the shift to electric last-mile delivery.

- The forwarding and logistics sector will continue to contribute to the reduction of air pollutant emissions, through a continuous refinement of the efficiency of urban logistics through the use of intelligent transport systems (dynamic traffic information, C-ITS, traffic light synchronisation, increased consolidation based on synchronisation), and the increased use of vehicle innovations as they become available. These must be allowed to develop at the necessary pace before policy actions are taken to phase out existing technologies.
- The development by logistics operators of urban distribution centres, in conjunction with the appropriate alternative fuelling/charging infrastructure and measures to incentivise the uptake of cleaner vehicles, serves to optimise last-mile logistics chains while limiting the entry of heavier vehicles into inner cities. This reduces pollutant emissions and congestion yet nonetheless increases the potential for city logistics through smart optimisation of the logistics chain and introducing the potential for collaboration between supply chain actors. Initiatives concerning the environmental footprint of urban logistics must, therefore, consider and encourage schemes to optimise urban delivery networks in addition to other measures.
- Competition and technical innovation pressures already result in a rapid rejuvenation of vehicle fleets. The replacement of Euro V vehicles with Euro VI vehicles is well underway and will be accelerated with mileage. Introducing local driving bans or restrictions which allow only Euro VI vehicles, at the wrong point in the investment cycle and without adequate time for operators to adapt, may lead to a devaluation of high-standard Euro V vehicles. Such restrictions would therefore deprive forwarders and transporters of an essential source of capital used for acquiring new low-emission vehicles and as such reduce the overall effectiveness of the policy.
- Green freight programmes bring substantial benefits in encouraging efficient logistics practices and innovative ideas to reduce the environmental impact of urban logistics, by rewarding companies which make the necessary investments in clean, efficient technologies and processes. Initiatives to manage urban logistics emissions should therefore take account of efforts being undertaken by logistics operators through existing green freight programmes. An overview of several leading green freight programmes, their scope and components may be found [here](#).

- Overall, individual initiatives to improve the environmental impact of urban logistics should form part of regional, national and European strategic approaches, taking particular care not to impede the flow of goods into urban areas. European coordination, based on structured dialogue and best-practice sharing, is vital to ensure that progress made in the transport sector regarding the environment is comparable between EU countries and between the different means of transport.