ClearTheAir 爭氣行動 www.cleartheair.org.hk

Written submission by Clear the Air NGO

'Retirement of pre-Euro IV diesel commercial vehicles'
Legco Panel on Environmental Affairs Special meeting on Saturday, 25 May 2013, at 3:00 pm in Conference Room 1 of the Legislative Council Complex

Clear the Air supports the Administration's plan to phase out Euro I,II and III vehicles as a public health measure.
We note that in the Mainland the life of HGVs is limited to 15 years and 20 years in Singapore. It is notable that many of the 'blue trucks' in China travel far longer distances with resultant wear and tear e.g. from Guangzhou to Beijing than those HGVs in Singapore or Hong Kong due to road limitations. Also, HGVs are banned from entering city centres until after midnight in the major Chinese cities. It would be less than fair that a company which regularly maintains its HGVs at reputable garages / in-house would be punished after 15 years alongside those which are never maintained thus taking away any owner incentive to keep the vehicles well maintained. A poorly maintained 10 year old vehicle will emit more pollutants than a well maintained older vehicle.

http://www.dieselnet.com/standards/cn/hd.php China diesel emissions' standards lag behind Hong Kong
Singapore diesel emissions' standards lag behind Hong Kong
http://energyasia.com/public-stories/singapore-tougher-emission-standards-to-affect-oil-refineries-power-plants-and-chemical-facilities/

http://statutes.agc.gov.sg/aol/search/display/view.w3p;page=0;query=Id%3A%2295bc979e-2cf2-40e9-8168-8452f87589f1%22%20Status%3Ainforce;rec=0

Our suggestion (bearing in mind the Administration's clear indication that this is a **health measure**) would be to announce as soon as possible, initial Class 1 Clean Air Zones such as Nathan Road, and trunk roads adjacent to high pedestrian areas in Central and Causeway Bay into which Euro I and II vehicles would be banned with a date set for Euro III vehicles' ban. The Government could announce further intended Class 2 Clean Air Zones to be scheduled by certain dates such as the access roads to the container ports. The drivers and owners of old HGVs would then be patently aware that their old vehicles would be restricted to use outside of those major thoroughfares. All vehicles in Hong Kong would have to display an easily recognizable disc on their vehicle licences inside the windscreens, e.g.

GREEN	Euro VI / Euro V
GREEN / WHITE	Euro IV
AMBER	Euro III
RED	Euro I / II

The Clean Air Zones would show which class of vehicles were banned from entry, with punitive fines for banned vehicles abusing the restrictions.

The Government should mandate the use of Euro VI diesel-hybrid-electric or electric franchised buses as shuttles in designated Class 1 Clean Air Zones like Nathan Road / Harcourt Rd etc.
Diesel franchised buses would terminate outside these areas and passengers would transfer to the hybrid shuttles instead of the current non rationalised empty polluting buses plying the same high use routes for 80% of the day outside rush hours and operating as large moving mobile advertising billboards.

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This disincentive and limitation of major thoroughfare access to the older vehicles would likely persuade companies to upgrade their vehicles rather than using a punitive increase in licence fees.

The Administration could also announce twice yearly emissions' testing for the older vehicles as a further disincentive for owners / operators to keep them running.

Putting health first, as an additional incentive to scrap their vehicles the Government should consider cancelling the first registration tax on new EURO V and EURO VI vehicles ordered by a specific date.

Chapter:	330	Title:	**MOTOR VEHICLES (FIRST REGISTRATION TAX) ORDINANCE**	Gazette Number:	L.N. 33 of 2011; 11/2011
Schedule:		Heading:	**SCHEDULE**	Version Date:	23/02/2011

8. (a) Goods vehicles, other than van-type light goods vehicles 15%

(b) Van-type light goods vehicle not exceeding 1.9 tonnes permitted gross vehicle weight-

(i) on the first $150000 .... 35%

(ii) on the next $150000 .... 65%

(iii) on the remainder 85%

(c) Van-type light goods vehicle exceeding 1.9 tonnes permitted gross vehicle weight 17%

James Middleton
Chairman

Legco papers:

Phasing Out Pre-Euro IV Diesel Commercial Vehicles

- Pre-Euro IV (pre-Euro, Euro I to III) diesel commercial vehicles are one of the major sources of roadside air pollution. They together emit about 90% of respirable suspended particulates (RSP) and 63% of NOx from all diesel vehicles. Last year, the World Health Organisation warned that diesel engine exhaust fumes are carcinogenic. To improve roadside air quality and safeguard public health, we need to phase out these vehicles as soon as practicable. http://www.epd.gov.hk/epd/english/environmentinhk/air/prob_solutions/Phasing_out_diesel_comm_veh.html

- The Chief Executive announced in the 2013 Policy Address that the Government would, through greater financial incentives and more stringent regulatory measures, progressively phase out some 80 000 pre-Euro IV diesel commercial vehicles in order to meet the 2015 and 2020 emission reduction targets. To this end, the government has set aside $10 billion for the ex-gratia payment. **He also proposed to set a service life limit for newly registered diesel commercial vehicles at 15 years.**

- The details of the proposal are as follow—

(a) Offer ex-gratia payment up to 30% of the taxable values of new vehicles to vehicle owners for phasing out their pre-Euro IV diesel commercial vehicles. Details of the proposed payment level are at as follows:

	Level of ex-gratia payment (set at a specified percentage of the average vehicles taxable value of a new vehicle)				
	Age of the scrapped vehicles				
	Above 18 Years	16 to 18 Years	13 to 16 Years	10 to 13 Years	Below 10 Years
Those who do not seek replacement by newly registered vehicles	10%	12%	14%	16%	18%
Those who replace them with newly registered vehicles of the same class	18%	21%	24%	27%	30%

The proposed application periods for the ex-gratia payment are as follow:

pre-Euro II diesel commercial vehicles	Euro II diesel commercial vehicles	Euro III diesel commercial vehicles
31 December 2015	**31 December 2016**	**31 December 2018**

(b) Introduce legislative amendments to stop the renewal of licences for pre-Euro IV diesel commercial vehicles with effect from specified dates. The proposed timetable for non-renewal of licences is as follows:

	pre-Euro II diesel commercial vehicles	Euro II diesel commercial vehicles	Euro III diesel commercial vehicles
Date after which the vehicle licence will not be renewed	1 January 2016	1 January 2017	1 January 2019
Range of age of the vehicles by the proposed date of non-renewal of vehicle licence	Over 18 years	16 to 19 years	13 to 18 years

(c) **set a statutory retirement age of 15 years for newly registered diesel commercial vehicles**. This will provide a long term solution to the pollution problem caused by aged diesel commercial vehicles.

l The Government is now consulting the transport trades and other stakeholders of the proposal. Members of the public and relevant stakeholders are welcome to give their views. Please send them to us on or before 15 April 2013:

By Post: Environmental Protection Department
Mobile Source Group
Room 4518, 45th floor, Revenue Tower
5 Gloucester Road
Hong Kong
By Fax: 2824 9361

Relevant information

l The proposal of phasing out pre-Euro IV diesel commercial vehicles in the 2013 Policy Address: http://www.policyaddress.gov.hk/2013/eng/p136.html

l A brief to the proposal of phasing out pre-Euro IV diesel commercial vehicles

l Profile of registered diesel commercial vehicles (as at end of 2012)

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LCQ4: Control of emission of diesel commercial vehicles
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Following is a question by the Hon Chan Hak-kan and a reply by the Secretary for the Environment, Mr Wong Kam-sing, in the Legislative Council today (November 21):

Question:

The yearly number of days on which the Air Pollution Index exceeded 100 (ie air pollution reaching a "very high" level) as recorded by the roadside air quality monitoring stations of the Environmental Protection Department had increased continuously in the past seven years. The Secretary for the Environment indicated earlier that in order to address this problem, the authorities would examine the phasing out of old diesel commercial goods vehicles, including making reference to the practices on the Mainland and places outside Hong Kong of not renewing the licences of diesel goods vehicles which had reached 15 years of age. In this connection, will the Government inform this Council:

(a) of a breakdown of the current number of commercial vehicles by vehicle class (including light, medium and heavy goods vehicles, public and private light buses, non-franchised buses as well as franchised buses) and the emission standard (ie pre-Euro, Euro I, Euro II, Euro III, Euro IV or above) with which they comply, and among such vehicles, the numbers of those which are 15 years old or above;

(b) of the number of applications received by the authorities since the introduction of the incentive schemes in 2007 from owners of diesel commercial vehicles to switch to more environment-friendly commercial vehicles, as well as the total amount of grant approved; of the classes of vehicles in respect of which the numbers of applications are relatively smaller, and whether they have assessed the reasons for that; how the authorities assess the effectiveness of these incentive schemes; and

(c) apart from considering the aforesaid measure of not renewing vehicle licences, whether the authorities will consider providing greater incentives (including extending the implementation period of the above-mentioned incentive schemes, increasing the amount of grant, providing low-interest loans or exempting the vehicle first registration tax, etc.), so as to encourage the trade to switch to more environment-friendly commercial vehicles; if they will, of the details; if not, the reasons for that?

Reply:

President,

My reply to the Hon Chan Hak-kan's question is as follows:

(a) As at end June 2012, there were a total of 127,100 licensed diesel commercial vehicles. They include light, medium and heavy goods vehicles, public and private light buses, non-franchised and franchised buses, of which 36,800 are aged 15 years or above. A breakdown of these vehicles by categories and emission standards, i.e. pre-Euro, Euro I, Euro II, Euro III, Euro IV or above, is in Table 1.

(b) The Government launched two incentive schemes in 2007 and 2010 to encourage vehicle owners to replace their pre-Euro and Euro I and Euro II diesel commercial vehicles respectively with new commercial vehicles. The incentive scheme for pre-Euro and Euro I vehicles was concluded in end March 2010. A total of 17,103 applications were approved by the Government, involving a grant of about $770 million. About 29% of the eligible vehicles participated in the scheme. The participation rates of light goods vehicles and heavy goods vehicles, at 25% and 24% respectively which were about a quarter, were below the overall rate.

The incentive scheme for Euro II diesel commercial vehicles was launched in July 2010 and will conclude in end June 2013. As at October 2012, a total of 3,956 applications were approved, involving a grant of about $340 million. Among the vehicles eligible for the incentive scheme, the participation rates of diesel light buses, light goods vehicles and heavy goods vehicles were 5%, 11% and 12% respectively which are comparatively low. Participation in the vehicle replacement incentive scheme is voluntary, and whether vehicle owners replace their vehicles or not is purely their commercial and personal decision. According to some trade members, the uncertain outlook of the transport business discourages vehicle owners to replace their vehicles. Details of these two incentives schemes by vehicle categories are in Table 2 and 3.

(c) The low participation rates of the two voluntary schemes underscore the need for a better policy with both incentives and regulatory measures approach to expedite effectively the replacement of heavily polluting vehicles. As for incentives, there is a suggestion of increasing the subsidy level to encourage the early replacement of these old vehicles, and some transport trade members suggest the provision of financial incentives to encourage vehicle owners to scrap their heavily polluting commercial vehicles and the provision of different concessions to retire old vehicles as early as possible. We will carefully consider the trades' suggestions, having regard to their implications for public finance, **the polluter pays principle and their effectiveness in the early improvement of roadside air quality. Overall, we wish to prioritise the health of the public.**

As for regulatory measures, we proposed to increase the licence fee of old diesel commercial vehicles at the meetings of the Legislative Council's Panel on Environmental Affairs and its Subcommittee on Improving Air Quality in November 2008 and March 2010 respectively. The proposal was not supported but it remains an option or a direction for consideration. Moreover, we understand that measures are implemented elsewhere to limit the service year of heavily polluting vehicles. For example, New York will tighten the age limit for taxis from six years to five years in 2015; London has recently stipulated that the age limit for taxis is 15 years; **the Mainland requires goods vehicles not to exceed 15 years in age**; and **Singapore sets the maximum life span of coaches and goods vehicles at 20 years**. We are looking into various options and studying which of them are appropriate and applicable to Hong Kong. We will communicate with transport trades and relevant stakeholders all along in order to formulate a policy that fits the environment of Hong Kong.

Ends/Wednesday, November 21, 2012
Issued at HKT 17:29

NNNN http://www.info.gov.hk/gia/general/201211/21/P201211210463.htm

(Weblinks)

ATTACHMENTS

- LCQ4 Table 1
- LCQ4 Table 2
- LCQ4 Table 3