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CONSULTATION ON WHEN TO END THE SALE OF NEW NON ZERO EMISSION L-CATEGORY VEHICLES

Motorcycle Industry Association submission

September 2022

MCIA submission to the consultation on when to end the sale of new non zero emission L-Category vehicles

September 2022

Question 1: Do you agree or disagree with our approach to end the sale of all new, non zero emission L-Category vehicles by 2035 at the latest?

Disagree.

1. MCIA and its members are committed to tackling climate change challenges and accept that CO_2 reduction is a key part of this. Emitting less than 0.5% of the UK's total domestic transport emissions, we do not believe we should be a priority target group for Government. We do, however, appreciate there cannot be one rule for one transport mode, and another rule for others in the collective effort to reducing emissions at the tailpipe, and so call on Government to be more creative in its approach to addressing the complexities and technical challenges faced by the L-Category sector.

2. We therefore reject the proposed dates as being unrealistic and there would be a significant risk of the major players reviewing their place in the UK market. This may result in a reduction in UK operations or their leaving the market altogether until technology development is such that products can be more easily brought to the UK market.

3. The proposals fail to adequately consider the complexities and nuances of the different vehicle categories, which means what is feasible for some segments (e.g. mopeds, or 'L1' vehicles) is not feasible for others (e.g. higher powered motorcycles that sit within the 'L3' vehicles). As already recognised by the then Minister, a 'one size fits all' approach will not work for this sector, the reasons for which we outline in this submission.

4. Having consulted with our manufacturer members, we propose the following alternative timeline for ending the sale of new, non zero emission L-Category vehicles as we believe it more accurately reflects the complexities of our sector and, therefore, will limit any damage to the market, whilst at the same time addressing CO_2 reduction. This must be considered with reference to the points we raise on readiness checks and a ZEV mandate in paragraphs 12 and 65 respectively.

2030	2035	From 2040
L1 and L2 Category vehicles up to 4kW	L4, L6 and L7 L-Category	L3 and L5 Category vehicles above 4kW

2030: L1 and L2 L-Category vehicles (up to 4kW)

5. Clearly, future technology is well suited to these categories and already helping to evolve the market at pace. These products are primarily used for short to medium distance commuting and "last mile" deliveries. Whilst there is still lots to be done to improve range and whole vehicle costs, industry is confident the 2030 date can be achieved without major disruption to the market and supply chain.

6. Additionally, in terms of frequent, urban, and sub-urban use, these categories provide the most gains in terms of GHG emissions savings.

2035: L4, L6 and L7

7. L4, L6 and L7 vehicles are extremely diverse with multiple use cases. This includes urban (personal) mobility, leisure, light cargo, and last mile deliveries. It is clear this sector is quickly moving to electrification, but at the same time, a "one size fits all" approach will damage important sectors of the market if their phase out deadline remains as 2030.

8. Volumes in these sectors are extremely low (currently less than 5% of the total market), with new entrants likely to be zero emission. However, what volumes do exist are made up of vehicle types that are used for sport and leisure. If the Government decides the deadline for these segments remains at 2030, MCIA would be looking for exemptions to be considered within this segment.

From 2040: All L3 and L5 L-Category vehicles

9. The L3-Category is dominated by motorcycles and scooters that are mainly used for leisure purposes, travelling less than 3000 miles per annum and primarily in rural environments which have a limited impact on emissions.

10. Combined with the technical challenges, MCIA and its members are calling on the Government to treat these categories as exempt, or to approach them in another way (as with aviation and HGVs). We propose "From 2040" which would allow battery technology and alternative fuel solutions to develop over the next 15 to 18 years and before committing to an outcome that may significantly damage the economy and market.

11. Furthermore, regulatory divergence must be avoided at all costs. MCIA is calling on the Government to consider its position by allowing the necessary time for technologies to develop which, in-turn, would allow the sector to base its decision on facts and not what we hope might be the case.

Readiness checks

12. Underlying our alternative timeline for phasing out new, non zero emission L-Category vehicles, is the requirement that Government is as ready as it can be in advance of the phase out dates coming into force.

13. Our industry is rightly being asked to make significant changes to the way in which our vehicles operate. However, before committing to any investments in new technology, it is critical our members receive a guarantee from Government that, in doing so, the necessary infrastructure is in place and policies around driving demand and improving access to our sector have been implemented (see question 6 regarding encouraging uptake of zero emission L-Category vehicles).

14. MCIA is therefore also calling on the Government to conduct full scale readiness checks on these different areas, alongside MCIA and its members, two years in advance of each new phase out date:

Categories	L1 and L2 Category vehicles up to 4kW	L4, L6 and L7 L-Category	L3 and L5 Category vehicles above 4kW
Readiness Check Date	2028	2033	2038
Phase Out Date	2030	2035	**From** 2040

L-Category component and system supply chain (especially L3)

15. The consultation states it wants to *reflect the current status of zero emission technology …. but ensure we respect the diverse characteristics of each vehicle type*. Whilst it is appreciated there is an element of understanding of the L-Category sector's complexities, the consultation and its proposed dates do not reflect current and near-term technology when applied to the sector's different vehicle types.

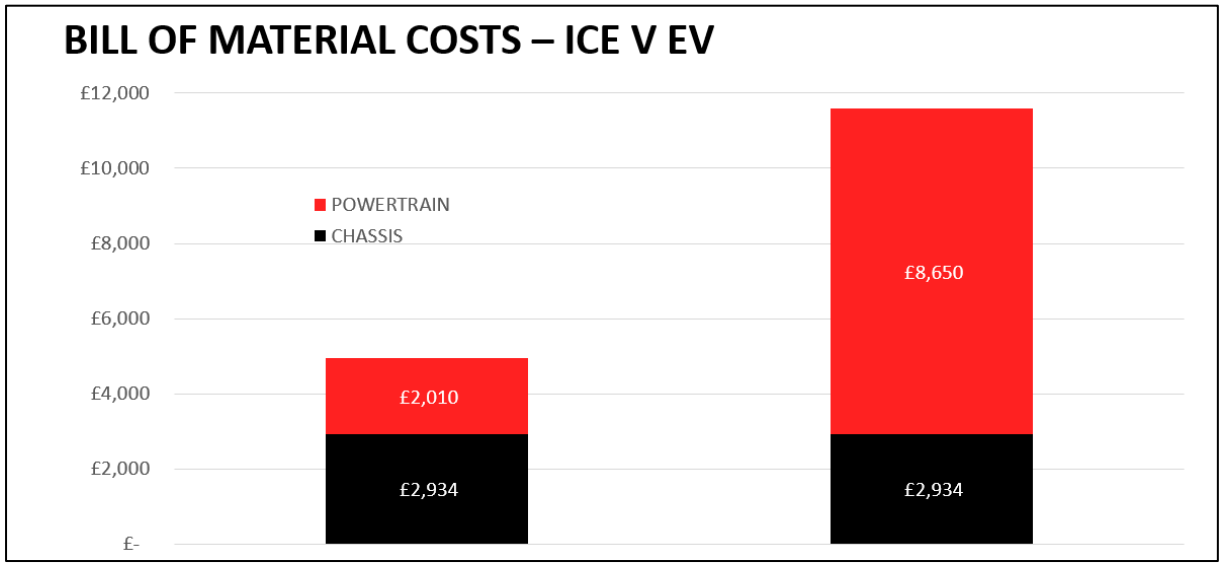
16. The L-Category sector is unlike the automotive sector and far behind it in terms of component and system supply chain development, but also in terms of market size. What is feasible for the automotive sector when it comes to zero tailpipe emissions is not necessarily feasible for all L-Category segments. It must be stressed that, current technologies (batteries), drive trains and system components are not transferable to most categories within the sector.

17. However, industry is trying to develop current and new technologies where it can, with the caveat that this will take considerable time to develop and therefore enter into production. For example, the Swappable Battery Consortium founded in 2021 by Honda, Piaggio, KTM and Yamaha has since been joined by 17 new manufacturer members in its efforts to find solutions to the concerns customers may have regarding the future of electromobility, such as the range, the charging time, infrastructure, and vehicle costs.

18. As electrification of the L1-Category accelerates, the increased range, power, and performance required of high powered L3-Category vehicles will require different solutions to those available today.

19. If the current technologies were easily transferable, cost consideration raises a further challenge and therefore a market barrier. The average retail price of an L3-Category motorcycle is circa £8,000. Key drive train and energy components (batteries, motors, controllers) have a unit price which would, as a minimum, double the current price position on the final product, as proven by those few products which are available on the market today. For example, we have been advised by manufacturers that the material costs to produce an electric PTW, in comparison to an ICE vehicle, would rise from circa 40% to 75% of the current retail figure (see figure 1).

Figure 1: Material costs – ICE PTW vs EV PTW



20. The current situation means manufacturers face a dilemma. Current technology does not suit every L-Category vehicle type, and if it did, the final retail price of the product would be incomparable to today's internal combustion engine (ICE) products. Applying today's thinking, industry believes this would significantly damage the new vehicle market, leading to users continuing to operate older vehicles for considerably longer.

21. MCIA has also been informed some manufacturers are developing Hybrid Electric Vehicles (HEV) as part of the transition to zero emission vehicles.

Environmental contribution

22. The Transport Decarbonisation Plan, published last July, acknowledges explicitly that, as a sector, we contribute just 0.46% of total UK domestic transport emissions[1]. We fully appreciate that as other modes increase their phase out deployment, the L-Category sector will increase as a percentage of the total. Although this may be the case, the total value of CO_2 we generate will continue to decrease as internal combustion technologies continue to evolve, combined with increased use of things like e-fuels/low carbon fuels.

23. We also contend that, given the minimal emissions of our sector, the role it can and should play in achieving net zero is not being fully harnessed. In our view, the current approach (zero at the tailpipe) is too simplistic in attempting to address a complex problem. The Government must consider the whole life cycle of vehicles and move away from an exclusive focus on zero emissions at the tailpipe.

24. From production through to in use and end of life, L-Category vehicles are shown to be significantly more environmentally friendly than a range of other transport modes, including electric cars. Our Life Cycle Analysis Study[2], published in December 2021, demonstrated the environmental efficiency of the sector.

[1] https://www.gov.uk/government/publications/transport-decarbonisation-plan

[2] Powered light vehicles can enable transport decarbonisation: Life-cycle analysis shows lighter vehicles can enhance contribution of electrification to climate goals | MCIA

25. Comparing the greenhouse gas emission (GHG) performance of L-Category vehicles (sometimes referred to as Powered Light Vehicles (PLVs), which includes PTWs), with larger vehicles which have traditionally been used for a range of operational and leisure purposes, focusing mainly on urban areas, the analysis found that:

    a. In almost every use case, where the load requirements enable use of a PLV, substantial GHG emission savings were delivered.
    b. There are significant GHG gains to be had by moving to smaller and lighter vehicles, combined with progressive electrification.
    c. Significant benefits can be gained by using electric zero emission PLVs which require smaller batteries, have lower GHG production impacts and lower energy requirements in use.
    d. The biggest savings can be seen when using electric PLVs for intensive commercial operations such as scooter delivery or urban parcel delivery operations, or heavy commuting use.

26. Phasing out ICE PTWs too early could lead to users holding on to their existing, higher emitting vehicles for longer, rather than upgrading to an electric or alternative product as they might do if the industry is given more time to develop and ensure the right vehicles are brought to market.

Economic contribution

27. In the 2021 ACEM-commissioned Oxford Economics report, *The economic importance of motorcycles to Europe*, motorcycle-related activity supported €21.4 billion of output (GDP) across Europe, was associated with 389,000 jobs and €16.6 billion of tax revenues.

28. It further states that 11% of the total contribution to GDP was accounted for by the UK and that for every £1 of GDP generated by the sector, a further £1.80 is supported in other industries.

29. Implementation of the proposed dates risks weakening this contribution. As mentioned, we understand that some significant players in the UK might have to review their UK operations if the dates are implemented. Furthermore, the UK is currently the only nation considering on-road L-Category vehicles with regards to their phase out. Europe, the USA, Japan and China have yet to define phase out dates for L-Category vehicles, with many other countries being unclear about their plans for our sector (see figure 2).

Figure 2: Country L-Category phase out position comparison

Market	**Date**	**Note**
EU	Does not specifically define L-Category dates	'European Green Deal' does not mention L-Category but commits to a 55% reduction in greenhouse gas emissions by 2030 and 90% by 2050
US – 49 States	Does not specifically define L-Category dates	

US -California	Proposes 50% of an OEM's CARB Approvals should be zero emission for motorcycles by 2035.	
China	Does not specifically define L-Category dates.	
Thailand	N/A	
Brazil	Proposed ban of 2030, with vehicles powered by bio-fuels to be exempt	Motorcycles/L-Category vehicles not referenced
India	No bans proposed yet, but requirements for a percentage increase in BEVS	Unclear on motorcycle

30. Whilst we appreciate the Government wanting to lead on carbon reduction, it is imperative for our sector (given the size of the market) that we do not end up with a phase out timeline, and therefore subsequent regulation, that is only relevant to the UK. Alignment with other major markets, in particular Europe, is critical to the UK remaining an attractive market to our sector.

31. If this is not the case, it will have a devastating impact on the market. For example, a loss of retail networks would mean thousands of job losses as a consequence of manufacturers withdrawing from the market. Any current or potential future plans to move production back to the UK might also be reversed if the UK market is deemed as having limited or no value, therefore missing out on UK industrial opportunities the Government is keen to take advantage of.

Sport and tourism

32. Five million spectators attended major motorcycle events across Europe in 2019 and 2.5 million individuals attended motorcycle trade fairs and promotional events. In addition, motorcycle sporting events, including a number that took place in the UK, are estimated to have generated €395 million gross value-added contribution to the 2019 European GDP. Furthermore, €33 million was generated through VAT payments on ticket sales, while the procurement of goods and services by the event organisers also stimulated economic activity indirectly to other sectors.

33. It is estimated that race organisers across Europe spent €190 million with suppliers in 2019. In terms of jobs, the major motorcycle sporting events generated the equivalent of 9,000 full time equivalent jobs. In addition to these, there are staff who work at race events on a temporary basis. Apart from the direct costs associated with motorcycle sport events, attendees also spend elsewhere in the economy as they travel to events, stay in hotels, eat in restaurants, and purchase souvenirs. The report shows that every spectator going to major motorcycle races spends on average €250 to attend an event.

34. Many of the events attract international visitors, and in 2019 their expenditure is estimated to have stimulated a €376 million gross value-added contribution to European GDP. 20% of this is attributed to the accommodation and food services sector. Spending of international spectators supported a total of 7,200 jobs, of which 810 were based in the UK. Together, motorcycle sports and events supported a €2.1 billion gross value-added contribution to European GDP in 2019.

Oxford Economics also estimated that motorcycle sports and events supported 38,400 jobs across the EU-27 and UK in 2019, with 3,000 of these being UK based.

Infrastructure

35. As it stands, the charging/refuelling infrastructure required for L-Category vehicles is not yet sufficient and proceeding with the Government's proposed dates would mean a significant lack of supply compared with current vehicle demand.

36. It is wrong to assume existing infrastructure is appropriate for all L-Category vehicles. Whereas L1-Category vehicles benefit from having removable batteries that can be charged using a standard 3-pin plug, for larger capacity bikes, the infrastructure is not always applicable in the same way it is for cars. Since journeys on large capacity L3-Category vehicles are often used for riding long distances, we remain extremely concerned the insufficiencies of current infrastructure in catering for this use case will mean consumers holding off on switching to electric bikes.

Question 2a: Do you agree or disagree with our approach to end the sale of new non zero emission L-Category vehicles in the L1, L2, L3e-A1, L6 and L7 subcategories by 2030? Please explain your answer.

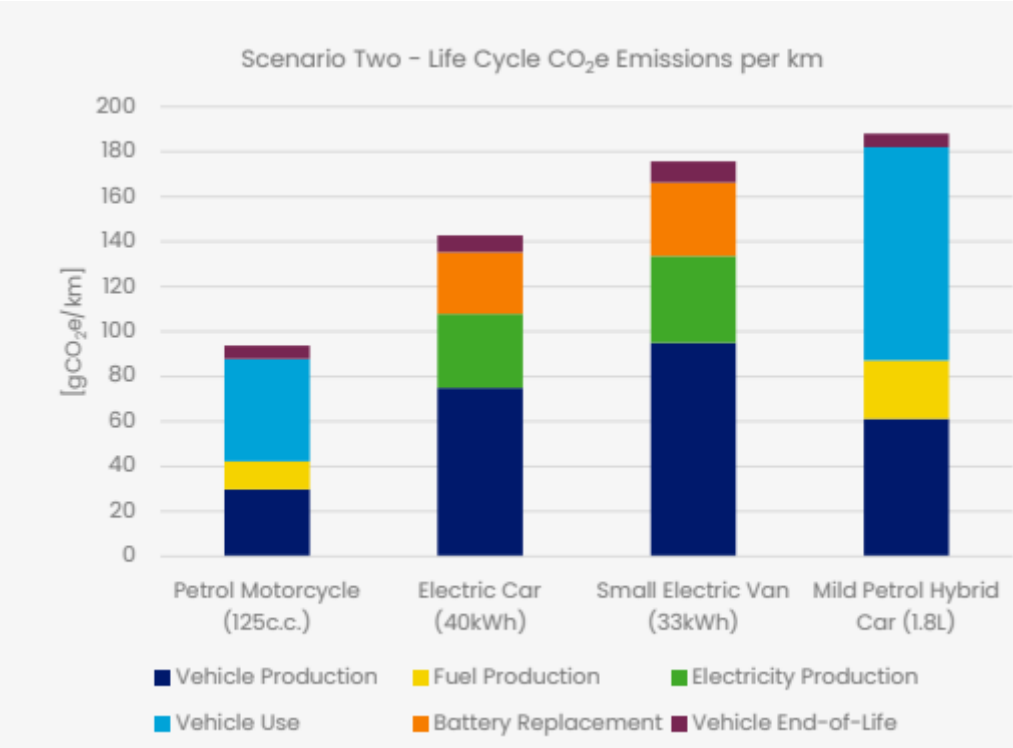
Disagree.

37. MCIA strongly disagrees with the decision to include L3e-A1 vehicles in the 2030 date and instead calls for it to be included in the L3 and L5-Category phase out date from 2040.

38. For many major UK manufacturers, 125cc PTWs are a significant part of their volumes, which includes leisure bikes in their own right (i.e. they are not just used for commuting or last mile delivery purposes). The consultation shows a lack of understanding about the use cases for these vehicles. Furthermore, bringing forward their phase out is likely to act as a deterrent for new riders wanting to obtain the relevant full licenses. Currently, as identified by the Government and MCIA, there is an issue surrounding people choosing to stay on a Compulsory Basic Training (CBT) certificate. An early phase out date for this segment will only serve to exaggerate this problem and undermine the work of the Action Plan in helping to liberate this part of the market and ensure more people can access cleaner forms of personal mobility.

39. The life cycle analysis study mentioned above compared an L3 125cc petrol motorcycle, used for local delivery or for single person commuting, with a small battery electric car and a petrol mild hybrid car performing the same local commute, in addition to a small battery electric van being used for local deliveries (see figure 3). The petrol motorcycle was found to exhibit a saving in lifetime GHG emissions per km over the comparator vehicles, particularly the petrol fuelled car, demonstrating the transitional role that ICE PTWs still have to play in getting us to net zero by 2050.

Figure 3: GHG emissions per km over whole lifetime of vehicle



Question 2b: What are your views on ending the sale of new non zero emission L1 vehicles before 2030?

40. We fully support the decision to phase out new, non zero emission L1-Category vehicles by 2030, but do not support an earlier date.

41. As demonstrated in the joint Government and industry 'Action Plan' for the sector, zero emission L-Category vehicles have a huge role to play in transport decarbonisation. Whether it's last mile deliveries, commuting to work in a cleaner and greener way or simply freeing up more space in our urban and suburban spaces, encouraging modal shift from privately owned cars and lightly laden vans, is most easily done using these vehicles.

Question 3: Should there be or should there not be derogations as part of the phase out of new non zero emission L-Category vehicles and if so what?

Yes, there should be derogations.

42. Whilst this question deals directly with derogations, differentiating them from, and dealing with different categories and primary use exemptions, is also important.

43. We believe exemptions should be given to L-Category vehicles with a primary use that is off-road but can still be registered for road use. These use cases can be:

- Agriculture;
- Motorsport;
- Trial and enduro (as per current rules); and

- Small Series (low volume single vehicle approval).

44. In terms of derogations, the criteria would need to consider a wide range of factors and be flexible enough to cover the complexities of the L-Category sector, including differences between manufacturers.

45. We believe an 'end of series' derogation would be an essential, if not critical requirement, as we near any phase out dates. The approach should be like previous 'end of series' derogation processes, but with a greater degree of flexibility and a particular reference to volume limits, timeframe, and ease of process.

46. The derogation process will be critical to clear existing stock, planned production and component supply chain.

Question 4: What role, if any, do you think alternative fuels have to play in the transition period to zero emission L-Category vehicles?

47. MCIA's ambition, based on the 'right vehicle for the right journey' concept, and in accordance with a multi-pathway approach, is to continue to offer the market a variety of powertrains, each of which will contribute to decarbonisation.

48. Whilst CO_2 emissions from ICE PTWs continue to be reduced, due to things like new technology and design, the industry will continue to place more electric vehicles on the UK market every year as L-Category vehicles can and must play a key role in the future of our urban and sub-urban transport systems as an affordable and cleaner form of personal mobility.

49. However, the complexity of the L-Category regulatory framework means that what's feasible for some vehicles, isn't feasible for others. This is particularly true when it comes to ensuring zero emissions at the tailpipe.

50. Electric is not a silver bullet for our diverse sector, in particular L3 vehicles, which is why existing fossil fuels and low carbon fuels are important for the foreseeable future to ensure certain segments of the market survive prior to technology being available, enabling a net zero, cost effective and viable longer-term solution.

51. There are currently around 1.34 million PTWs in use in the UK, the vast majority of which still operate using an ICE. While the L1 electric market continues to grow at pace, low carbon fuels could prove an effective way to reduce transport emissions and protect segments of the L-Category sector which are not yet able to adequately adapt to electric powertrains within the timeframe the Government is currently suggesting.

52. This is due to things like the weight of suitably sized electric batteries and the effect these may have on handling and dynamics. As such, trade-offs between weight, range, costs and consumer expectations are still huge determining factors in market volumes for leisure orientated electric PTWs. Therefore, large capacity electric PTWs still have a long way to go before its worth manufacturers' time investing in their development if they aren't going to serve the customer's demands.

53. Low carbon fuels/synthetic fuels have obvious advantages in that they could be used in the running fleet. This means their decarbonisation effects would materialise at the time of availability of the fuel, not just at the time of availability of new vehicles. These fuels could also be supplied via the existing fuel station infrastructure and may not require long lasting and costly implementation of new refuelling/recharging infrastructure.

54. The Action Plan mentioned above showed our commitment to the Government's decarbonisation agenda. However, it must recognise the challenges higher powered motorcycles face in switching to alternative powertrains and be open minded about alternative and low carbon fuels used to power ICE vehicles.

55. Electrifying higher powered motorcycles in a way that is commercially viable could prove to be far too big of a challenge to meet consumers' needs at this stage given existing technology. The industry must be given the time and help to transition to different powertrains.

56. While electric PTWs will be the predominant solution for urban mobility in the future, PTWs with conventional ICE still have an important role to play. It is important that the UK continues to support the adaptation of the PTW industry, as per our Action Plan, by continuing to fund the research and development of low carbon/synthetic fuels.

57. For industry's part, our members are already exploring alternative, low carbon/synthetic fuels. Although still in their infancy, collaborative projects are taking place to explore the use of hydrogen combustion technologies in PTWs, partnering with the likes of Toyota and with working prototypes already having been revealed in some parts of the world.

58. However, in accordance with the Government's technology neutral approach, it must provide industry clarity on what it considers to be an acceptable level of emissions before such technology can be developed further. There are many benefits to hydrogen combustion technologies, namely the fact there is next to no CO_2 emissions, huge potential to build on current knowledge by carrying over well proven parts from standard ICE PTWs, the ability to maintain riding sensations to that of a petrol-fuelled ICE PTW and durability and maintenance similar to current ICE PTWs.

59. Given the complexities of the sector, manufacturers continue to explore all fuel/drive train alternatives, both as an end game and transitional solution. As mentioned, we are aware of a manufacturer who is developing Hybrid technologies which, whilst reliant on combustion fuels, are likely to offer significant zero emission capability. We urge the Government to consider the role Hybrid can play in our sector, transitionally and as a the end game solution.

60. PTW manufacturers have much smaller economies of scale to support the transition from internal combustion to electric powertrains. More time will be needed for these manufacturers to research and develop robust and technically reliable EV systems in order to provide consumers with high quality products that reflect the higher costs of applying this new technology, and to continue to meet their expectations and demands.

61. Moving forward, it is of paramount importance that policy makers remain genuinely technology neutral in their approach. As the former Minister, Trudy Harrison MP, said to us in a letter, *there can be no one size fits all approach to L-Category*. Decarbonisation is far too important an agenda to be restricted to electrification only. A transitional process, which is what MCIA is calling for, will go through different stages and so being prescriptive with specific technologies means limiting choice and constraining innovation.

62. Although MCIA is fully supportive of the net zero agenda, we believe a more appropriate approach to take from Government would be to let the industry and market develop naturally and accept the appropriate solutions. In any case, all pathways towards decarbonisation should be supported and exploited as much as possible.

63. Electrification is not the only solution and as expressed above, manufacturers are committed to exploring the opportunities that low carbon fuels might present and how they might be able to develop into a net zero fuel in the future.

64. Current petrol and low carbon alternatives are critical to the sustainability of our industry. Where possible, these should not be cost prohibitive and should be further developed and made available for use in our sector's products for longer (which have a significantly smaller impact on the environment), until current technological barriers for net zero L-Category products are overcome.

Question 5: What are your views on regulating L-Category vehicles using a ZEV mandate target for manufacturers and/or introducing CO_2 emissions targets for L-Category vehicles, as is currently done for new cars, vans and HGVs?

65. MCIA and its members strongly oppose a ZEV mandate being applied to the L-Category sector ahead of any phase out date deadline. As explained, phasing out sooner than 2040 would be very difficult to achieve and, therefore, would significantly damage the sector's economy and market.

66. The sector believes a ZEV mandate could be used in an alternative way where manufacturers are allowed to bring to market non zero emission vehicles post the end of sale phase out date, but have the ability to offset the CO_2 by way of a credit system similar to the automotive scheme. This would effectively extend the end of sale date by way of temporary exemption, but with a charge/penalty.

67. MCIA, along with its members, are happy to work with Government in conceiving a scheme that can work for all parties.

Question 6: What other support might be needed to encourage the uptake of zero emission L-Category vehicles as part of a transformation of last mile deliveries?

68. As a sector, we have been on a journey, a journey which must continue. The future can and will be bright for our sector, if, and only if, the Government ensures the right level of support is in place, starting from now, both in terms of financial consumer incentives and the time and investment for us to adapt to new powertrains, electrical or otherwise.

69. The decarbonisation agenda is here to stay and rightly so. However, unlike other modes of transport, we face significant challenges when it comes to higher powered leisure motorcycles and their becoming zero emission at the tailpipe. Given our limited impact on the environment, though primarily used for leisure and therefore with low annual mileages, petrol powered leisure motorcycles are also used for commuting and last mile delivery purposes.

70. Accepting net zero is the goal, there can and must be a transitional role to play for ICE engines as we head towards that end point. We accept not every vehicle is appropriate for every type of journey which is why MCIA has always been a strong advocate of the *right vehicle for the right*

journey approach and extends to a right policy/regulation/subsidy for the right vehicle approach too. This will be critical to encouraging modal shift, getting more people out of single occupancy cars and onto smaller, lighter, and more environmentally friendly vehicles, where appropriate.

71. Given the diverse nature of our sector, and indeed other transport sectors, it cannot be expected to transform overnight. Therefore, all things considered, the phase out dates for our sector should be proportionate to our impact on the environment and considered alongside our positive role in the future of urban and sub-urban travel before working towards any arbitrary date for phasing out new non zero emission at the tailpipe PTWs. In other words, we need help to complete the 'journey' we are on and work together in reaching net zero in a way that is commercially viable for manufacturers and appealing to both today's riders, but also tomorrow's riders too.

72. Replacing fossil fuelled combustion-powered vehicles with electric variants is a key step on the journey to net zero and in time will remove vehicle tailpipe emissions, but risks leaving the other challenges unchecked if delivered in isolation. We believe an approach encouraging *The Right Vehicle for the Right Journey* will help to reduce the high number of single occupancy cars and lightly laden van journeys we see congesting our roads today.

73. Replacing many of these journeys (that cannot be completed by cycling and walking or public mass transport) with greater use of more affordable, zero emission L-Category vehicles could see an increase in the road space available for other users, a reduction in energy use and an increase in energy efficiency that will place less demand on our charging infrastructure.

74. As with electric passenger cars, the greater the uptake, the more affordable and accessible L-Category vehicles will become, particularly for those short-to-medium distance commutes which are too far for active travel or where public transport is not easily accessible, including rural settings.

75. Today, barriers remain, preventing zero emission L-Category vehicles becoming a significant transport mode in practice, and as a result the opportunities that do exist haven't yet been able to be fully harnessed by industry or users. Our Action Plan sets out a series of ambitious recommendations to remove these barriers, speed up the delivery of decarbonised transport in the UK whilst creating new industrial, consumer and business opportunities right across the country.

76. To increase uptake of these vehicles, we believe the Government must adopt a four-fold approach: delivering appropriate products by ensuring supply ahead of demand, stimulating the market by driving demand, offer a viable alternative by improving access and incorporating PTWs into infrastructure and communities by increasing integration.

77. As explained in question 1, this approach must be accompanied by appropriate readiness checks ahead of each phase out date coming into force, to ensure that both Government and industry is playing its part, as it should, on the way to achieving net zero by 2050.

Supply ahead of demand

78. Increasing the number, type, and range of zero emission L-Category vehicles available on the market to provide consumers and businesses alike with a wider choice of vehicles and capabilities for their application is critical. Any future product regulation must be designed to provide clear

direction to industry, providing confidence for existing suppliers to develop new products and attracting additional entrants to the sector.

79. Manufacture in the UK is actively encouraged through making opportunities available for both technology and vehicle development. A review of existing L-Category vehicle regulation to ensure it remains fit for purpose and caters for the evolution of future zero emission L-Category vehicles, including assessing the potential for a new vehicle category, is essential.

80. Developing the component and system supply chain in the UK for zero emission L3-Category PTWs to encourage new entrants to the market, lower manufacturing costs and maximise the potential for GHG emission savings, is also essential.

Driving demand

81. Key to driving uptake is also providing appropriate and complementary incentives for consumers and businesses to purchase, rent or share a zero emission PTW. This may be in the form of improved communication to raise awareness of PTW availability and capability, or financial support to assist a purchase similar to other vehicle categories. The latter is particularly important in areas where electric PTWs have yet to establish a viable business case but will do so once demand and volumes increase.

82. MCIA is recommending a review of the current grant and incentivisation structure in the PTW sector, including adopting learning from other vehicle categories where the roll out of zero emission tailpipe vehicles has proven successful. Conducting a public awareness campaign, jointly led by Government and industry to promote the existence, availability, and benefits of zero emission PTWs to consumers and businesses, will be key to this.

83. MCIA is committed to working with the Government to provide a set of suggested proposals that set out a bespoke, L-Category approach to consumer and employee incentives, designed to work alongside the other actions set out within the Action Plan.

Improving access

84. More needs to be done to allow people to readily gain access to a zero emission PTW for personal transport, commuting or cargo delivery purposes. As a lower cost and smaller alternative to cars and vans, PTWs offer the potential to provide affordable, zero emission transport for those moving in and between inner cities, rural communities and journeys to work and school.

85. We recommend a simplified licensing structure, designed to make PTWs an option for a larger section of society whilst still maintaining high standards of testing and training. Simplifying the existing licensing regime across all L-Category segments is necessary to improve access to zero emission L-Category vehicles for a wider section of the community, increasing access, uptake and adoption. Increasing mobility in rural communities by providing access to affordable zero emission L-Category solutions using initiatives such as Wheels to Work will also be key.

86. Ensuring the supply of L-Category vehicles is sufficient to meet demand and that the appropriate financial and regulatory incentives are in place are only a part of the solution. Licensing also provides an opportunity to increase the adoption of zero emission PTWs. At present, and unlike micromobility options for example, users of L-Category vehicles must navigate onerous, repetitive,

and often intimidating training and testing barriers to acquire the relevant licence for the L-Category vehicle they wish to use.

87. Simplifying the acquisition of a licence would massively reduce barriers to entry. This should never be at the expense of safety, but the improvement of it. For example, the current Compulsory Basic Training (CBT) required for most L-Category vehicles does nothing to incentivise riders to progress towards test standard. A rider can simply choose to renew their CBT every two years. By introducing a 'CBT Plus' after two years instead (also valid for two years), riders will be able to upskill, moving them closer to test standard.

88. MCIA has developed a comprehensive set of proposals for what the licensing regime for L-Category could look like to ensure maximum uptake, particularly those which are zero emission. MCIA are currently in discussions with the DfT, DVLA and DVSA and are looking forward to further reviewing how we can, together, ensure the licensing regime is fit for purpose to accommodate this ever-evolving market and products.

MCIA, September 2022