

Pay as you Pollute!



Airmax reports on a scheme designed to make individuals accountable for their contribution to climate change

Emissions are a burning topic at the moment and it is possible that in a few years from now you will have another plastic card in your wallet - your CO₂ card. You will start the year with say, 1,000 points on it and when you put the card in a slot on the pump each time you fill up your car it will deduct a few points.

For the corporate users it is likely to be part of the fuel card services.

Each time you buy an airline ticket, it will cost you a minimum of 100 points. If you fly regularly, you may have to buy more points through the 'carbon market' - but since it is all in the cause of reducing greenhouse gas emissions you do not mind so much.

A pipe dream for environmentalists? Not at all, but a scheme put before parliament 18 months ago in a private member's bill sponsored by Colin Challen, the Labour MP for Morley & Rothwell.

It is reported that Mr Challen hopes for a national scheme to be in place by 2009. Along with 44 other MPs he is working to reduce 25% of his own carbon emissions by 2010 as an example of how individuals need to start doing their bit on climate change. He is quoted as saying, *"The idea is picking up speed but it is a radical one and needs to be widely debated"*.

Calculating CO₂

Meanwhile Airmax Group, has been working closely with its customers to calculate the CO₂ emissions per journey and variant car type.

Ashley Duddle, Airmax's MD has seen up to 30% reductions in harmful emissions based on good driver techniques. *"What's better though is that you can see the emissions in real time and calculate the actual total tonnage of CO₂ per fleet"*.

Interestingly, as a result of Airmax's development work, another big debate is opened. UK companies and individuals have to pay tax on declared 'benefit in kind' for the purchase of the company car and this figure is adjusted by the CO₂ emissions of each vehicle. Currently this CO₂ calculation is based on g/km or mile. However, we believe the mileage is only a rough indicator; it is the CO₂ from fuel burn that is the real calculator.

Airmax have managed to read the fuel burn from the vehicle using its new telematics system and monitoring the driver's style. This is achieved by reading data from the vehicle's diagnostic port and also imbedded data from the dashboard. The data is then displayed on a web page. Fleet managers can then see the 'rogue' drivers and arrange for driver training.

It will also highlight fuel usage compared from driver to driver or vehicle type. Polluters will be given the option to voluntarily offset their emissions.



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Value added effects

The carbon market might work similarly to the foreign currency markets. You could walk into a high street bank or the Post Office and buy or sell your units there, just as they do now with foreign currencies. The financial institutions would offer carbon units at their own prices and the die-hards amongst us would shop around for the best deals. In addition, linking the possibility for "offset payments" to specific projects is likely to attract more interest as the discerning polluter will want to have more control over where their money is going and may have individual reasons for backing certain project types.

With interest growing in remote vehicle diagnostics and over 1000 vehicles going live per month it will be very interesting to see what impact this kind of service has on driver awareness, emissions analysis and, not least, vehicle insurance premiums. A major value added effect when using this technology is that fleet managers will be also able to see 'how' their employees are driving. This coupled with geo-coded vehicle events, including fuel, will enable new insurance initiatives based on how, when and why the vehicle was used. Thus we may see the emergence of 'Pay By the Way You Drive' schemes, far removed from the current market offerings of 'Pay As You Drive'.

