

Diesel vehicle bans must not disrupt medicines supply to patients

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Introduction

Governments have a duty of care to ensure the safety and welfare of their citizens. Barriers that could impact this duty of care need to be carefully managed. This paper looks at the continuity of supply of medicines and healthcare products to pharmacies and patients from full service pharmaceutical distributors (FSDs).¹

As one of Europe's largest FSDs, **McKesson Europe** has closely observed the growth of diesel vehicle bans in many cities. We fully support the public health objective of reducing Nitrogen, Carbon (CO, CO₂, NO₂) and particulate matter emissions, and we have conducted many tests with e-vehicles for this purpose. We would like to caution however that the new vehicle technologies needed by FSDs are not yet available. In this Policy Paper we therefore call on policymakers to give special consideration to the specific nature of FSDs until they are, so that we can continue to fulfill our statutory responsibilities to maintain the supply of medicines to patients.

How we ensure medicines deliveries to patients

With 118 distributor branches in 11 countries, McKesson Europe delivers 8.5 million medicines from more than 100,000 pharmaceutical product lines to more than 50,000 pharmacies and hospitals every day. We conduct our deliveries through:

1. **Our own fleet of diesel vehicles**
2. **Third-party contractors**, whose fleets are largely diesel



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¹ FSDs are engaged in purchase and sale, warehousing storage, order preparation and delivery of medicines. They carry and distribute the full assortment of products (in range and depth) to meet the needs of those with whom they have normal business relations and to deliver all medicines needed, in their geographical area of activity, within a very short period of time.

As FSDs, we are obliged to meet stringent professional and regulatory requirements in all our countries to ensure that medicines reach patients securely, safely and on time. These are namely:

- The **Public Service Obligation (PSO)**: in general terms, a PSO is a policy mechanism whereby a public authority obliges or incentivises private companies to pursue certain goals for the benefit of society which may not otherwise be commercially attractive. In the case of FSDs, there is a PSO to ‘ensure appropriate and continued supplies’ of medicines to pharmacies, as defined in EU legislation.² Countries may define this concretely, e.g. in France we must deliver to pharmacies within 24 hours of the order, in Italy within 12 hours.
- The **Good Distribution Practice (GDP) guidelines**, which include requirements for transport. These state for example that required storage conditions for medicines should be maintained during transport and that vehicles should be appropriately equipped to safeguard the integrity of medicines and their packaging.

Growth of diesel vehicle bans

Many cities in **Germany** are already introducing diesel vehicle bans.³ Since February 2019 vehicles with Euro Emission Standard 4 and older are no longer allowed to drive in Frankfurt; from September, this will also apply to vehicles with Standard 5. Other cities with confirmed bans include Berlin, Bonn, Cologne, Hamburg, Mainz and Stuttgart, and an NGO is using court challenges to target up to 34 cities where NO₂ levels exceed the EU limit.⁴

In **France**, Paris will bar diesel delivery vehicles with Euro Emission Standard 3 and older during the week as from July 2019, and Standard 4 from 2022. The city intends to be diesel-free by 2024.⁵ Strasbourg will bar Euro Standard 4 vehicles from the city centre from September 2019, and all diesel vehicles by 2021.⁶ Thirteen other cities are committed to introduce vehicle-restricted zones by 2020.⁷

And in other countries, many cities have also introduced bans or will do so soon, sometimes phasing in restrictions over a number of years based on Euro Emission Standards. These include, among others: **Belgium** (e.g. Antwerp, Brussels), **Italy** (e.g. Milan, Rome, Turin) and the **UK** (e.g. London, Glasgow).⁸

Our key messages

- ❖ *We support a balance between environmental public policies, such as bans on diesel vehicles to reduce pollution, and other public health priorities.*
- ❖ *Full service pharmaceutical distributors (FSDs) have statutory responsibilities to supply patients. They fulfill these by using specially adapted diesel vehicles with unrestricted access to city centres.*
- ❖ *To reduce our environmental footprint, we are conducting tests with electronic vehicles. However, for various practical reasons, these are not yet suitable to deliver medicines.*
- ❖ *Until these new technologies are ready, we call for diesel vehicle bans to provide exceptions for FSDs which fulfill stringent delivery requirements.*

² Article 81, Directive 2001/83/EC on the Community code relating to medicines for human use

³ <https://www.tz.de/auto/fahrverbote-deutschland-dieselen-staedten-duerfen-diesel-nicht-mehr-fahren-zr-10367178.html>

⁴ <https://www.presseportal.de/pm/22521/4096075>

⁵ https://www.ecologique-solidaire.gouv.fr/sites/default/files/2018.10.08_DP_DeploiementZFE_vdef.pdf

⁶ <https://www.strasbourg.eu/nouvelles-regles-de-livraison-au-centre-ville>

⁷ https://www.ecologique-solidaire.gouv.fr/sites/default/files/2018.10.08_DP_DeploiementZFE_vdef.pdf

⁸ <http://urbanaccessregulations.eu/userhome/map>

Our tests with electric vehicles

McKesson Europe supports the development and application of new transport technologies to reduce its environmental footprint. As part of our Corporate Responsibility strategy, we are already committed to reducing our CO₂ emissions in both our own fleet and that of third-party contractors – which we achieved in 2018 with a reduction of over 4% on the year before.

We are ready in principle to work with zero emission transport. Our company has already conducted tests with electric vehicles, e.g. in Germany with a model developed by StreetScooter,⁹ and in France with one by Renault. These tests have shown however that these vehicles or those based on other alternative fuels are **not yet suitable for the delivery of medicines** due to:

- **Longer refuelling time** – This would undermine our ability to deliver medicines on time.
- **Short maximum distances** – This would undermine our operational capacity to deliver several loads of medicines without refuelling.
- **Lack of charging infrastructure** – We would need to install high-capacity cables to refuel electric vehicles sufficiently at our premises.
- **Potential installation of heating / cooling units** – These are required under certain conditions for our compliance with GDP guidelines. They use high levels of energy, which would run down vehicle batteries more quickly.
- **Battery weight** – A heavy battery can push vehicles into a new weight category (in Germany: over 3.5 tonnes), for which a different driver's licence is required.
- **Higher cost** – Our last-mile costs would increase considerably, as the purchase and lifecycle cost of electric vehicles are much higher than those of standard vehicles.
- **Size** – There would not be enough space in the tested vehicles to carry sufficient medicines.

What we are calling for

We contend that securing the continuity of supply of medicines by FSDs is as important as securing right of way access for emergency vehicles. This would be consistent with a German Federal Administrative Court ruling that cities must implement any diesel bans proportionately.¹⁰

1. **McKesson Europe therefore calls for a transitional exemption from diesel bans for all vehicles delivering medicines for FSDs until a viable alternative is available at reasonable cost which addresses all the issues set out above.** Without this exemption, there is a very real risk to the continued supply of medicines to patients.
2. Moreover, measures introduced to improve environmental air quality need to take due account of **the PSO and GDP guidelines**. This will ensure that the exemption applies to FSDs, and their contractors, with the highest level of statutory responsibility towards patients.
3. We also recommend that exempt vehicles should be **identified by technology**, e.g. scanning number plates – rather than personal checks by officials, which would slow down deliveries of medicines.

⁹ <https://www.streetscooter.eu/de/>

¹⁰ <https://www.bverwg.de/pm/2018/9>

4. McKesson Europe is nonetheless ready to play its part in improving environmental standards.

Whenever policymakers wish to increase the use of electric vehicles or other alternative technologies for urban deliveries, we ask that they take into account our circumstances, e.g. by **subsidising directly or through tax breaks our switch to green technologies**, or discounting a vehicle's battery weight. This too should be contingent on fulfilment of national PSOs and GDP guidelines, and this process should be inclusive of all FSDs, include a proper impact assessment, and done in collaboration with our national trade associations.

About McKesson Europe

McKesson Europe is a leading international wholesale and retail company and provider of logistics and services to the pharmaceutical and healthcare sector. With about 38,000 employees, the group is active in 13 European countries. Every day, the company serves over 2 million customers – at more than 2,300 pharmacies of its own, at about 300 managed pharmacies and at over 7,000 participants in the brand partnership schemes. With 118 wholesale branches in Europe, McKesson Europe supplies more than 50,000 pharmacies and hospitals every day with 8.5 million medicines from more than 100,000 pharmaceutical product lines.

Facts and Figures

Please see our online Annex at <http://www.mckesson.eu/mck-en/company/public-affairs/position-papers/dieselvehicleban/28902>

