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Brexit: road, rail and maritime transport

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Evidence is published online at <https://www.parliament.uk/future-uk-eu-transport-lords-inquiry/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Q in footnotes refers to a question in oral evidence.

SUMMARY

This report examines the implications of Brexit for UK-EU surface transport, in particular what will be required for road, rail and maritime connectivity under a new UK-EU trading relationship. We consider these matters primarily in the context of a negotiated Brexit, irrespective of the specific form this may take.

In the light of ongoing uncertainty, we also take account of ‘no deal’ preparations on both sides. These measures indicate how some UK-EU connectivity will be maintained in the event both of ‘no deal’ and of a negotiated Brexit that did not include comprehensive transport arrangements. Some contingency options are already established, and could be relied upon over the long-term, whereas others take the form of temporary legislative measures—designed to avoid a ‘cliff-edge’.

Road

Road haulage is the dominant mode of freight transport in the UK, but the UK only accounts for 8% of all road haulage activity in the EU. As part of the EU, the UK benefits from arrangements liberalising haulage between and within Member States.

It is difficult to overstate the importance of future arrangements to preserve UK-EU market access for hauliers. Continued use of the EU’s Community Licence system will maintain the status quo, but a new permit-based system will also be workable, provided such permits are unlimited.

In the absence of a comprehensive agreement, European Conference of Ministers of Transport (ECMT) permits and bilateral arrangements with individual Member States will facilitate some EU-UK road haulage, but the former will be insufficient to meet demand, while the latter require negotiation. Despite the importance of continued market access for hauliers, the Government has yet to make its specific negotiating priorities clear. We urge the Government, in close consultation with the haulage industry, to do so now.

Bus and coach travel is also liberalised at the EU level and we call for a UK-EU agreement to maintain reciprocal market access. Without such an arrangement, the Interbus Agreement—a multilateral arrangement—will enable some UK-EU bus and coach journeys, but it does not yet support all types of services. The Interbus Agreement cannot be relied upon to maintain cross-border bus services on the island of Ireland.

Brexit will also have implications for private motorists. Current EU arrangements provide for the mutual recognition of driving licences, and drivers from EU Member States do not need to carry proof of third-party insurance cover when driving in the EU. Without similar successor arrangements, UK drivers wishing to drive in the EU will need to carry an International Driving Permit and Green Card. We are disappointed that the only way for UK drivers to obtain an International Driving Permit is to visit a Post Office. The Government should improve accessibility, including by adding an online option.

Opportunities for regulatory divergence in the road transport sector are few, and likely to be outweighed by the need for market access.

Rail

The UK's rail network connects with the EU through the Channel Tunnel link between Kent and northern France, and through the Belfast-Dublin Enterprise Line. The Government has made clear its intention not to seek an EU-wide agreement on rail, but instead to conclude bilateral agreements, and initially only those necessary to maintain existing services. While these are indeed high priorities, the UK is likely to need a wider set of agreements in future. Given the UK's broader interests in the rail market, the Government should clarify if it intends to seek arrangements for the mutual recognition of rail certifications and licences with the EU after Brexit.

Regulatory alignment between Member State rail networks is facilitated by the European Union Agency for Railways, with which the Government has ruled out any participation after Brexit. The UK's railway network is largely domestic and in some circumstances divergence from EU standards will better suit local conditions. We call on the Government to work with the UK rail stakeholders to bring forward details on how post-Brexit divergence on rail standards will be managed.

Maritime

Maritime arrangements are also important: over 90% of UK trade by volume is carried at sea and UK ports account for 12.5% of seaborne freight handled in the EU. A sizeable proportion of international cargo moved through UK major ports is to or from the EU. In addition, over 20 million passengers travel on sea routes to and from the UK each year. Maritime transport is largely underpinned by international law, with the result that after Brexit UK and EU operators will in most respects be able to access each other's ports as at present.

Membership of the EU has, however, supported the growth of the UK Ship Register. The UK also benefits from cooperation with the European Maritime Safety Agency (EMSA) and access to important EMSA databases. The Government intends to cooperate with EMSA after Brexit, but unless there is an arrangement to maintain UK access to EMSA databases, some will need to be replicated. The UK also has a large seafaring community working in the EU. The Government should seek arrangements to preserve the mutual recognition of seafarer certificates.

Some EU rules are unsuitable for the structure of the UK's maritime sector and divergence will be beneficial. As with the other transport modes, opportunities for divergence will be limited by the depth of future cooperation with the EU.

Northern Ireland–Ireland

Witnesses impressed upon us the unique demands of Northern Ireland–Ireland transport arrangements. Cross-border bus and coach services in particular are heavily reliant on the liberalised EU framework, so much so that it was necessary for the EU's 'no deal' contingency measures to make a special allowance for passenger transport around the Irish border. The island of Ireland's distinct economic and social ties may not be best-served by broader UK-EU transport negotiations, and a solution may be found by pursuing a more bilateral approach.

Cross-modal

Government engagement with transport stakeholders is high overall, but information does not always filter down to small and medium-sized enterprises (SMEs). We call on the Government to strengthen its efforts to engage with SMEs in the sector.

Brexit: road, rail and maritime transport

CHAPTER 1: INTRODUCTION

1. Transport links are a fundamental component of the relationship between the UK and the EU: trade in goods, and in some services, can only occur if facilitative transport arrangements are in place. Transport networks also have an important social function by enabling the mobility of citizens.
2. The UK's decision to leave the EU will mean new and different arrangements for shared air, road, rail and maritime transport. In June 2018, the UK's Brexit negotiating team published a set of slides proposing broad principles for future UK-EU frameworks in each mode.¹ Similar aims were reflected in the Government's White Paper *The future relationship between the United Kingdom and the European Union*, published the following month. The White Paper outlined the UK's desire to maintain reciprocal access for road transport operators, along with close cooperation on maritime, and to conclude bilateral agreements to maintain existing cross-border rail services.²
3. The UK Government's opening position was later superseded by the 'outline' Political Declaration on the Future Relationship, published alongside the Withdrawal Agreement on 14 November 2018.³ A fuller, final, draft of the Political Declaration was published on 22 November 2018. Together, the two documents formed the Government's proposed Brexit deal.⁴

1 HM Government, *Framework for the UK-EU partnership: Transport* (June 2018), p 6: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714676/Framework_for_the_UK-EU_partnership_Transport.pdf [accessed 12 December 2018]

2 HM Government, *The future relationship between the United Kingdom and the European Union*, Cm 9593, July 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf [accessed 4 December 2018]

3 Outline of the Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom (14 November 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/756378/14_November_Outline_Political_Declaration_on_the_Future_Relationship.pdf [accessed 12 December 2018]

4 The Withdrawal Agreement and Political Declaration were again laid before Parliament on 11 March 2019, alongside a joint instrument and unilateral declaration by the UK in relation to the operation of the Northern Ireland Protocol. See Department for Exiting the European Union, '11 March Withdrawal Agreement and Political Declaration laid before Parliament following political agreement.' (11 March 2019): <https://www.gov.uk/government/publications/11-march-withdrawal-agreement-and-political-declaration-laid-before-parliament-following-political-agreement> [accessed 25 April 2019]

Box 1: Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom

Article 50(2) TEU states: “In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union.” The European Council has consistently stated that the provisions of Article 50 do not permit formal negotiations on the future relationship to commence until the Member State’s withdrawal has taken effect.

The Political Declaration “establishes the parameters of an ambitious, broad, deep and flexible partnership across trade and economic cooperation, law enforcement and criminal justice, foreign policy, security and defence and wider areas of cooperation”. The full 26-page draft was approved by the meeting of the European Council (Art. 50) on 25 November 2018 and presented to Parliament by the Government on 26 November 2018.

The intended scope of future UK-EU arrangements in road, rail and maritime transport is covered in Section X, paragraphs 62–65:

“B. Road transport

The Parties should ensure comparable market access for freight and passenger road transport operators, underpinned by appropriate and relevant consumer protection requirements and social standards ... In addition, the Parties should consider complementary arrangements to address travel by private motorists.”

“C. Rail Transport

The parties agree that bilateral arrangements should be established, as appropriate; for cross-border rail services, including to facilitate the continued smooth functioning and operation of rail services, such as the Belfast-Dublin Enterprise line and services through the Channel Tunnel.”

“D. Maritime Transport

... The Parties should also make appropriate arrangements on market access for international maritime transport services. The future relationship should facilitate cooperation on maritime safety and security, including exchange of information between the European Maritime Safety Agency (EMSA) and the United Kingdom Maritime and Coastguard Agency (MCA), consistent with the United Kingdom’s status as a third country.”

Source: Political declaration setting out the framework for the future relationship between the European Union and the United Kingdom (22 November 2018), pp 11–12: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/758557/22_November_Draft_Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_EU_and_the_UK_agreed_at_negotiators_level_and_agreed_in_principle_at_political_level_subject_to_endorsement_by_Leaders.pdf [accessed 12 December 2018]

4. We took the majority of our evidence between July and November 2018, culminating in an oral evidence session with the Secretary of State for Transport, Rt Hon Chris Grayling MP, on 14 November 2018, the same day the ‘outline’ Political Declaration and draft Withdrawal Agreement agreed at negotiators’ level were published.
5. The failure to find a House of Commons majority in support of the Government’s Brexit deal over the following months was met with increased preparations on both sides for a ‘no deal’ outcome.

6. In December 2018, the European Commission announced the first tranche of legislative measures to alleviate the most serious disruption arising from ‘no deal’ for citizens and businesses in the EU-27. The final package included temporary measures to provide EU market access for UK road transport operators and to maintain UK-EU cross-border rail transport.
7. In the meantime, the Government continued its programme of laying Statutory Instruments (SIs) to prepare the UK’s statute book for ‘no deal’—65 Brexit-related SIs have been laid by the Department for Transport (DfT). The Government has also published over 100 technical notices on how public bodies, businesses and individuals should prepare for ‘no deal’. At present there are six notices related to road transport, three to maritime and two to rail.
8. In the light of these developments, we held a follow-up evidence session with the Minister of State for Transport, Jesse Norman MP, on 13 March 2019.
9. On 10 April 2019, EU-27 leaders took note of the letter sent by Prime Minister Theresa May asking for a further extension to the Article 50 period and agreed that the UK’s departure from the EU could be delayed up to 31 October 2019.

This inquiry

10. This report discusses the options for future UK-EU arrangements in the road, rail and maritime (including ports) sectors. We examine road transport in Chapters 2–5, rail transport in Chapter 6 and maritime in Chapter 7. Future transport arrangements on the island of Ireland and matters spanning more than one transport mode are discussed in Chapters 8 and 9 respectively. The Committee previously explored the implications of Brexit for aviation in its report *Brexit: trade in non-financial services*⁵ and again in a follow-up letter to the Government in July 2018.⁶ We did not take further evidence on the aviation sector during this inquiry.
11. The focus of this report is on frameworks for market access, standards and cooperation in the transport sector. These matters remain applicable to a range of future UK-EU relationship models—for example, a customs union or Canada-style free trade agreement—though some of the implications we discuss would fall away if the UK joined the European Economic Area (EEA).⁷
12. The final shape of future UK-EU transport systems will also be influenced significantly by any future immigration and customs arrangements operating at border crossings—these matters were beyond the scope of this inquiry and their impact on the transport sector stands to vary widely depending on the nature of the UK’s future relationship with the EU. Nonetheless,

5 European Union Committee, *Brexit: trade in non-financial services* (18th Report, Session 2016–17, HL Paper 135)

6 Letter from Lord Whitty, Chairman of the House of Lords EU Internal Market Sub-Committee, to Lord Callanan, Minister of State for Exiting the European Union (3 July 2018): <https://www.parliament.uk/documents/lords-committees/eu-internal-market-subcommittee/brexit-%20trade%20in%20services/LordWhitty-LordCallanan-030718.pdf> [accessed 12 December 2018]

7 The EEA Agreement—concluded between the EU and Iceland, Liechtenstein and Norway—provides for regulatory alignment between the Parties in all internal market policy areas, including transport. To become applicable throughout the EEA, EU legislation must be incorporated into the EEA Agreement through a decision of its Joint Committee, following consultation with non-EU EEA countries and the Commission.

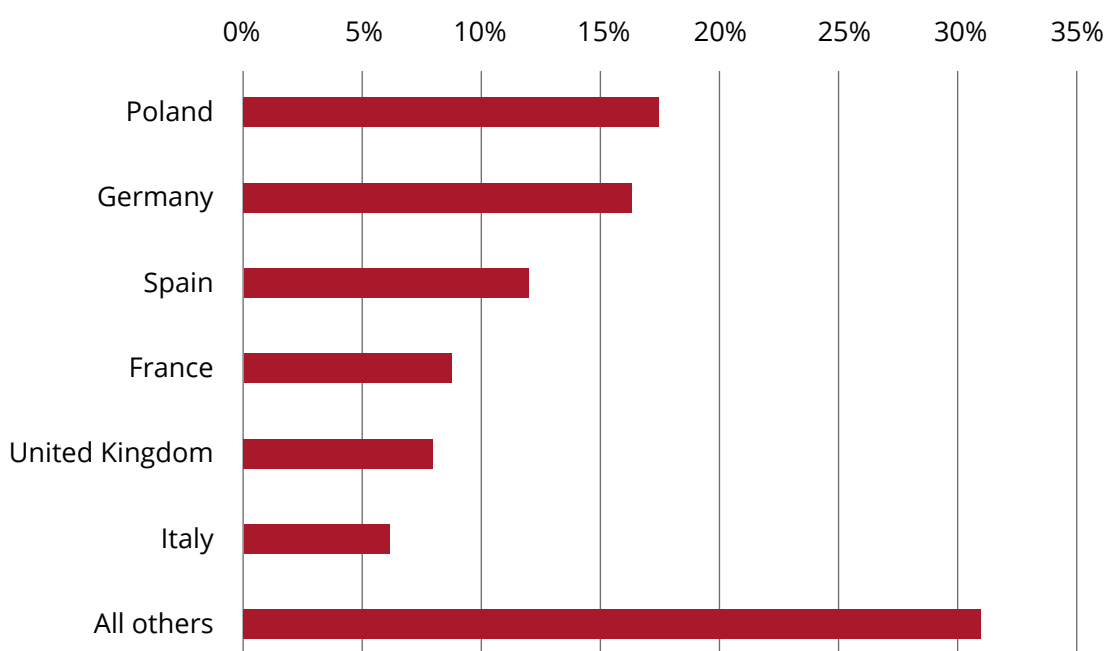
the potential impact of future customs arrangements in particular was a recurring theme in evidence. This report is therefore usefully read alongside our report *Brexit: the customs challenge*.⁸

13. We examined the evidence we received in the context of the UK and EU published negotiating positions on transport matters, as well as the shared objectives set out in the Political Declaration. Although the delay to the UK's departure from the EU has rendered the prospect of 'no deal' less imminent, we believe that the implications of 'no deal' remain relevant, as any future arrangements may not necessarily address all the matters considered in this report. We note that Brexit-related developments in the transport sector continue.
14. The EU Internal Market Sub-Committee, whose members are listed in Appendix 1, met in September, October and November 2018 and again in March 2019 to take oral evidence, and received 25 written submissions. Witnesses are listed in Appendix 2. The Committee is grateful for their participation in this inquiry.
15. **We make this report for debate.**

CHAPTER 2: ROAD HAULAGE

16. Road haulage is the dominant mode of freight transport within the UK, accounting for 77.7% of all goods moved domestically.⁹ Domestic journeys account for the majority of activity by UK hauliers, but in 2017 UK-registered vehicles also exported approximately 3.7 million tonnes of goods and imported around 4.2 million tonnes.¹⁰ The majority of goods imported to and exported from the UK are handled by overseas hauliers, mostly by vehicles registered in Poland, Ireland and Romania.¹¹ Figure 1 shows that in 2017, the UK accounted for 8% of total haulage activity in the EU.¹²

Figure 1: Share of total EU road haulage



Source: Eurostat, *Road freight transport statistics (August 2018)*: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/9217.pdf> [accessed 8 May 2019]. Total transport includes national transport, international transport of goods loaded in the reporting countries, international transport of goods unloaded in the reporting countries, cross-trade and cabotage transport.

17. Road haulage is a diverse and competitive sector—operators range from large multi-fleet logistics companies to single vehicle businesses. Haulage is often characterised by Heavy Goods Vehicles (HGVs, 3.5 tonnes or more

9 The latest data available refer to 2017. They do not include vehicles registered in Northern Ireland. Department for Transport, 'Freight (TSGB04)', table TSGB0401: Domestic freight transport, by mode (6 December 2018): <https://www.gov.uk/government/statistical-data-sets/tsgb04-freight#table-tsgb0401> [accessed 15 April 2019]

10 Department for Transport, *International Road Freight Statistics, United Kingdom 2017* (26 July 2018), p 1: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728976/international-road-freight-2017.pdf [accessed 26 November 2018]

11 Department for Transport, *International Road Freight Statistics, United Kingdom 2017* (26 July 2018), p 6: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728976/international-road-freight-2017.pdf [accessed 26 November 2018]

12 Total transport includes national transport, international transport of goods loaded in the reporting countries, international transport of goods unloaded in the reporting countries, cross-trade and cabotage transport. See Eurostat, *Road freight transport statistics (August 2018)*: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/9217.pdf> [accessed 23 April 2019]

laden weight), but the last decade has seen a steady increase in the use of light vehicles (less than 3.5 tonnes laden weight), in part driven by the rapid expansion of internet shopping and home delivery markets.¹³

The EU regulatory framework

18. EU law has established a regulatory framework for road haulage in three main policy areas: access to the occupation of road transport operator; access to the international haulage market within the EU; and social and safety rules for drivers.¹⁴ This legislation has also been adopted in the rest of the EEA.
19. Regulation (EC) 1071/2009¹⁵ sets high-level requirements for an undertaking to be a road transport operator—in other words, to be authorised to transport goods or passengers. These include requirements on establishment, financial standing and competence. Regulation (EC) 1072/2009¹⁶ establishes specific arrangements for goods transport operators under a Community Licence system. Operators with a Community Licence may transport goods across EU Member States with vehicles above 3.5 tonnes gross vehicle weight.¹⁷
20. Community Licence holders are also entitled to cross-trade and cabotage rights within the EU. Cross-trade is the transport of goods between two countries by a haulier resident in a different country—for example, a UK haulier picking up goods in France and moving them to Spain. In 2017, UK hauliers' share of total EU cross-trade operations was 0.1%.¹⁸
21. Cabotage refers to the transport of goods solely within a single country by a non-resident haulier—for example, a UK haulier moving goods between two locations in France. The concept of cabotage can be applied across transport modes and is discussed throughout this report. Cabotage journeys represent only a small proportion of total road freight transport in the EU—2.3% of tonne kilometres¹⁹ reported in 2017.²⁰ The share of EU cabotage performed by UK vehicles was 0.7%, whereas 3.6% of total cabotage was undertaken in the UK.²¹

13 RAC Foundation, *Van travel trends in Great Britain* (April 2014), p 23: https://www.racfoundation.org/wp-content/uploads/2017/11/van_report_aecom_100414.pdf [accessed 13 December 2018]

14 In 2017 and 2018 the Commission adopted a series of 'mobility packages' to amend existing EU road transport legislation. At the time of writing this report the mobility packages were at various stages of the legislative process.

15 Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC, [OJ L 300/51](#) (14 November 2009)

16 Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market, [OJ L 300/72](#) (14 November 2009)

17 In the UK, Community Licences are automatically issued to transport operators that obtain a Standard International Operator Licence from a Traffic Commissioner (in Great Britain) or the Northern Ireland Department for Infrastructure (for Northern Ireland).

18 Eurostat, 'Road freight transport by journey characteristics' (August 2018), table 6: https://ec.europa.eu/eurostat/statistics-explained/index.php/Road_freight_transport_by_journey_characteristics#Road_transport_by_type_of_operation [accessed 23 April 2019]

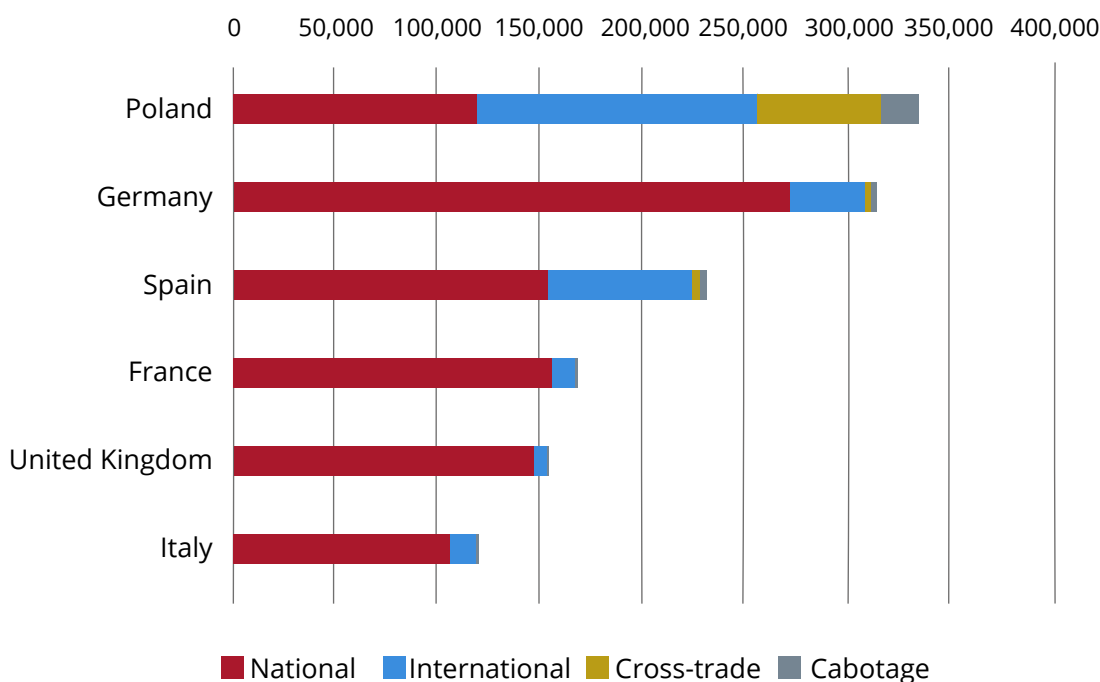
19 A tonne kilometre represents the transport of one tonne over one kilometre. See Eurostat, 'Glossary: Tonne-kilometre (tkm)': [https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Tonne-kilometre_\(tkm\)](https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Tonne-kilometre_(tkm)) [accessed 24 April 2019].

20 Eurostat, 'Road freight transport statistics—cabotage' (August 2018): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Road_freight_transport_statistics_-_cabotage&oldid=128092#Cabotage_penetration_rate_for_hire_and_reward_transport [accessed 23 April 2019]

21 Eurostat, 'Road freight transport statistics—cabotage' (1 August 2018), table 4 and figure 3: https://ec.europa.eu/eurostat/statistics-explained/index.php/Road_freight_transport_statistics_-_cabotage [accessed 24 April 2019]

22. The significance of cabotage in a national market is generally measured by the cabotage penetration rate—the share of cabotage operations in total national transport for hire and reward. In 2017, the UK’s cabotage penetration rate was 1.5%, compared to an average of 4.3% in the EU-28.²² Figure 2 shows the Member States with the largest shares of total EU road haulage, broken down by type of operation.

Figure 2: Total EU road haulage by operation (tonne kilometres)



Source: Eurostat, *Road freight transport statistics (August 2018)*: <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/9217.pdf> [accessed 8 May 2019]

23. In addition to complying with the provisions of the Working Time Directive,²³ HGV drivers (and drivers of passenger vehicles with more than nine seats) must also adhere to specific EU rules on working hours and rest periods.²⁴ Drivers who are covered by these rules must use vehicles equipped with tachographs—devices that display and record vehicle movements and driver activity periods—which are used to check compliance.²⁵
24. Professional drivers benefit from general provisions for mutual recognition of EU driving licences set out in Directive 2006/126/EC.²⁶ They are, however, also subject to a specific requirement to hold a driver Certificate of Professional Competence (CPC), which involves periodic training.

22 Eurostat, ‘Road freight transport statistics—cabotage’ (1 August 2018), figure 1: https://ec.europa.eu/eurostat/statistics-explained/index.php/Road_freight_transport_statistics_-_cabotage [accessed 24 April 2019]

23 Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time, *OJ L 299* (18 November 2003)

24 European Commission, ‘Road: Driving time and rest periods’ (15 March 2006): https://ec.europa.eu/transport/modes/road/social_provisions/driving_time_en [accessed 12 December 2018]

25 *Ibid.*

26 Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences (recast), *OJ L 403/18* (30 December 2006)

Future arrangements

25. The Government's June 2018 *Framework for the UK-EU Partnership: Transport* set out a desire for the UK to maintain liberalised access for hauliers after Brexit, including "cabotage and cross-trade rights". The subsequent White Paper sought options for "reciprocal access". It also highlighted the high share of international haulage handled by non-UK hauliers in the UK, "demonstrating the importance of continued connectivity to both the UK and the EU."²⁷ The Commission's high-level negotiating slides argued that "outside the single market 'eco-system'" access would be based on a "bilateral quota system".²⁸
26. Unsurprisingly, our witnesses stressed the criticality of future arrangements to preserve reciprocal access for hauliers. The Freight Transport Association (FTA) was clear on the limited alternatives: "International road haulage is not liberalised by default and there is no such thing as a WTO fall-back option for road transport."²⁹ Duncan Buchanan, Policy Director, Road Haulage Association (RHA), reflected on the profound importance of haulage in underpinning trade, and said that, if an agreement was not found, supply chains would be "savaged", which would be "completely unnecessary and stupid".³⁰
27. RHA set out a general aim for "UK and EU operators to have unrestricted ability to engage in international road haulage to, from, through the entire area covered by the UK and EU".³¹ FTA ranked future arrangements models by order of preference, the first being a UK-EU agreement providing for "the mutual recognition of the Community Licence".³² This first option was described by RHA as "the least intrusive" outcome. On the other hand, RHA held that the alternative of UK-specific permits "should not be dismissed".³³ FTA agreed that, failing continuation of the Community Licence, "negotiators could agree on a permit system".³⁴
28. If a single UK-EU arrangement could not be reached, RHA said the next option would be to move into "bilateral arrangements with individual EU States". One way of doing this would be for bilateral agreements to "mutually recognise current licences". For example, "the UK could recognise a Dutch Community Licence and the Dutch could recognise a UK Standard International licence without the need for any additional permits". RHA noted that existing arrangements with Turkey provided a precedent for this.³⁵ FTA, though, highlighted several challenges associated with bilateral agreements, including "long and resource-intensive negotiations" and the possibility of differing market access conditions between Member States.³⁶

27 HM Government, *The future relationship between the United Kingdom and the European Union*, Cm 9593, July 2018, p 43: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf [accessed 4 December 2018]

28 European Commission, *Internal preparatory discussions on framework for future relationship: Road, rail and maritime transport* (20 February 2018), p 19: https://ec.europa.eu/commission/sites/beta-political/files/transport-future-relationship_21february2018_en.pdf [accessed 18 December 2018]

29 Written evidence from the Freight Transport Association ([TRA0017](#))

30 [Q 40](#) (Duncan Buchanan)

31 Written evidence from the Road Haulage Association ([TRA0011](#))

32 Written evidence from the Freight Transport Association ([TRA0017](#))

33 Written evidence from the Road Haulage Association ([TRA0011](#))

34 Written evidence from the Freight Transport Association ([TRA0017](#))

35 Written evidence from the Road Haulage Association ([TRA0011](#))

36 Written evidence from the Freight Transport Association ([TRA0017](#))

29. FTA and RHA agreed that any new arrangement that required a permit system should be quota-free. FTA said that a system “implying volume restrictions”³⁷ would be unsuitable, while RHA argued that “quota limitations lead to corruption and appalling inefficiency”.³⁸ Both organisations also highlighted the need for new arrangements to minimise bureaucracy for transit journeys. RHA said, by way of example: “So no one would need a French permit to transit to Italy through France.”³⁹

Cabotage and cross-trade

30. FTA thought that post-Brexit, “cabotage should continue to be allowed on the basis of existing criteria”.⁴⁰ Wincanton PLC felt that the loss of cabotage arrangements would “cause an immediate shortage of resource”, which would need to be covered by the UK fleet. Nonetheless, Wincanton criticised current cabotage rules and thought they ought to be reviewed, lest an “unfair advantage ... be gained by foreign operators”, thanks to factors such as “wage inequality”.⁴¹
31. Mr Buchanan reflected on cabotage performed by UK hauliers in the EU: “We asked our members how they use cabotage in Europe at the moment. Quite a number of them say they make one cabotage journey and that is about it. Many do no cabotage in Europe.” He also agreed that there was greater interest in EU operators performing cabotage in the UK than UK operators in the EU.⁴² RHA noted that cabotage rates on the island of Ireland were an exception to general UK-EU rates.⁴³ We explore this further in Chapter 8.
32. Mr Buchanan went on to highlight the added difficulty of securing political buy-in for reciprocal cabotage rights:
- “It is absolutely clear from my discussions with other EU Member State trade bodies that there is no appetite to allow UK hauliers to have cabotage rights in the EU. If there is no appetite for it to happen in the EU, our contention is that we should not allow it here unless there is some sort of dramatic self-interest in allowing cabotage.”⁴⁴
33. RHA concluded that cabotage would “probably be desirable, but any benefits are modest and the complexity for enforcement will be significant”.⁴⁵
34. Mr Buchanan held that securing arrangements for cross-trade was “much more important”, as anything less would “add huge complexity”. Cross-trade was essential because “goods are picked up in one country; they go to a second country and then they are all part of a cohesive supply chain”.⁴⁶ RHA emphasised the need for reciprocity: “If UK operators are banned from ‘cross trade’, it would be unfair competition to allow EU operators to ‘cross trade’ in or out of the UK.”⁴⁷

37 *Ibid.*

38 Written evidence from the Road Haulage Association ([TRA0011](#))

39 *Ibid.*

40 Written evidence from the Freight Transport Association ([TRA0017](#))

41 Written evidence from Wincanton PLC ([TRA0013](#))

42 [Q 41](#) (Duncan Buchanan)

43 Written evidence from the Road Haulage Association ([TRA0011](#))

44 [Q 41](#) (Duncan Buchanan)

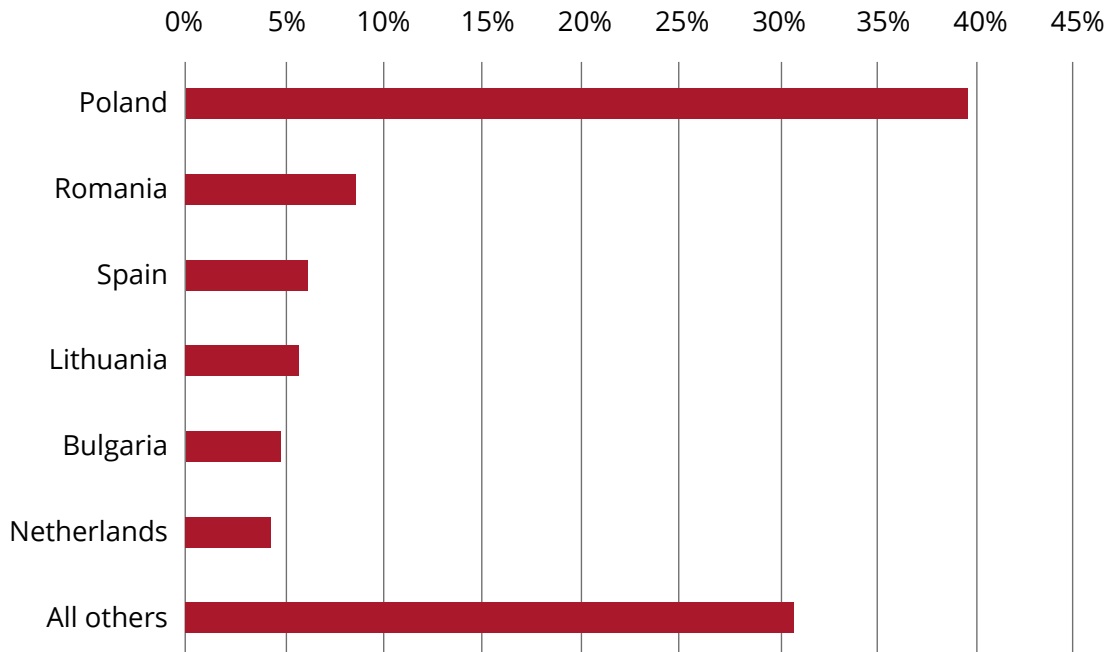
45 Written evidence from the Road Haulage Association ([TRA0011](#))

46 [Q 41](#) (Duncan Buchanan)

47 Written evidence from the Road Haulage Association ([TRA0011](#))

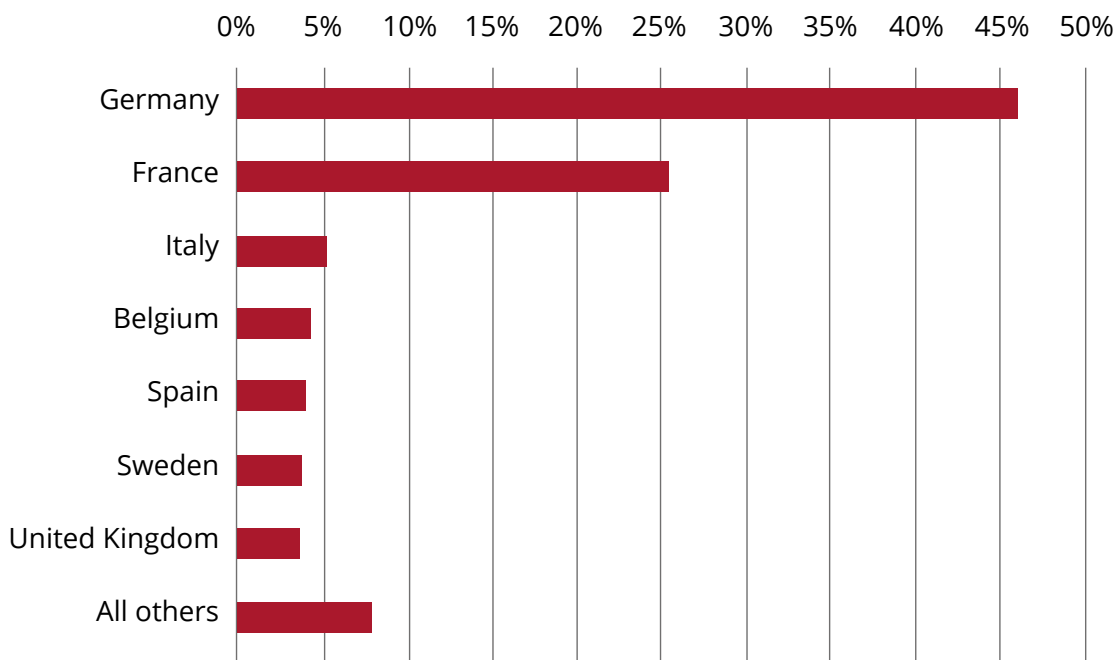
35. Figures 3 and 4 show share of EU cabotage by country of haulier registration and location of operation respectively. Figure 5 shows share of cross-trade by country of haulier registration.

Figure 3: Share of EU cabotage by country of haulier registration

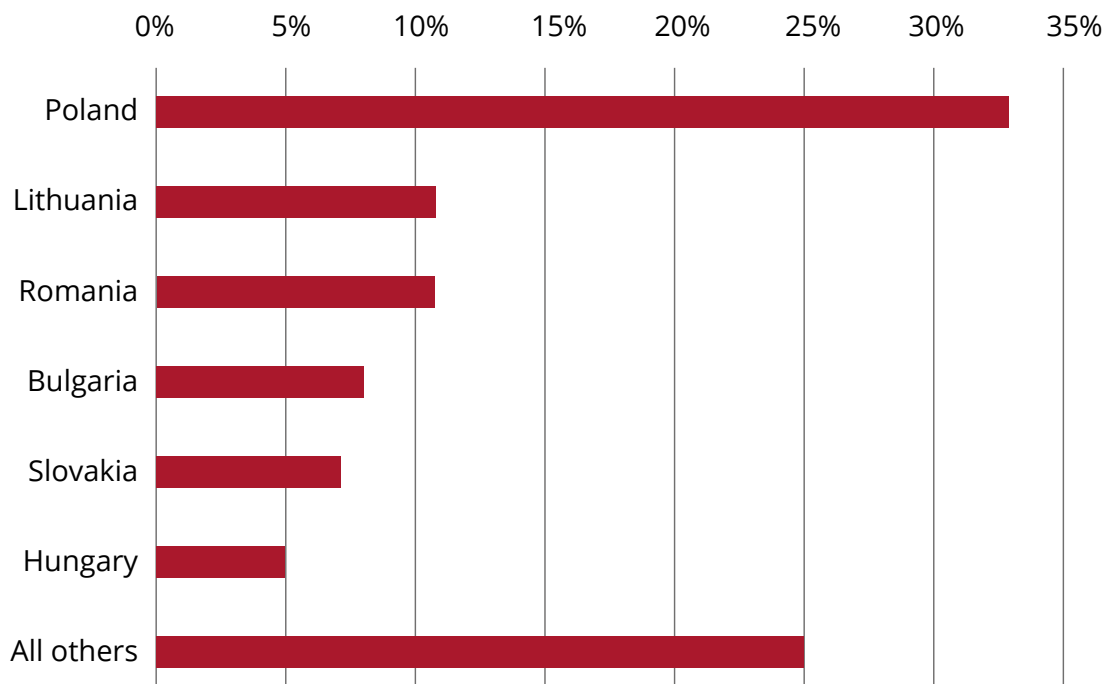


Source: Eurostat, 'File: SE Cabotage 2017—update.xlsx' (24 October 2018): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:SE_Cabotage_2017-update.xlsx&oldid=410388 [accessed 8 May 2019]

Figure 4: Share of EU cabotage by location



Source: Eurostat, 'File: SE Cabotage 2017—update.xlsx' (24 October 2018): https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:SE_Cabotage_2017-update.xlsx&oldid=410388 [accessed 8 May 2019]

Figure 5: Share of EU cross-trade by country of haulier registration

Source: Eurostat, Road freight transport statistics (August 2018): <https://ec.europa.eu/eurostat/statistics-explained/pdfscache/9217.pdf> [accessed 8 May 2019]

36. On 19 December 2018, the Commission proposed temporary measures to allow UK hauliers to carry goods to the EU in a ‘no deal’ scenario, contingent on reciprocal rights being granted to EU hauliers in the UK.⁴⁸ No reference was made to cross-trade operations and cabotage was explicitly ruled out. The final negotiated text, however, was more liberal. It provided for two cabotage or cross-trade journeys within seven days for a period of four months, followed by an allowance of one cabotage or cross-trade journey within 7 days for the following three months.⁴⁹

The Government’s position

37. The Government reiterated its objective to “seek reciprocal access for road hauliers”, as set out in its White Paper. It said: “The key focus of such an agreement would be that current trade levels should not be subject to new restrictions”, adding that “if the use of Community Licences cannot be continued”, future arrangements may mean a system “with sufficient permits to cover all international EU haulage journeys”. However, the “details of such a system and the method of permit delivery and verification would depend on the outcome of negotiations”. The Government also recalled that it had

48 The Government laid an SI on 6 February 2019 to provide EU hauliers access to the UK. The Licensing of Operators and International Road Haulage (Amendment etc.) (EU Exit) Regulations 2019 ([SI 2019/708](#))

49 Regulation (EU) 2019/501 of the European Parliament and of the Council of 25 March 2019 on common rules ensuring basic road freight and road passenger connectivity with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union, [OJ L I 85/39](#) (27 March 2019)

already “laid the framework for a permit regime”, through the Haulage Permits and Trailer Registration Act 2018.⁵⁰

38. The Secretary of State for Transport, Rt Hon Chris Grayling MP, told us that his discussions with EU counterparts were about “maintaining connections”, and none had “expressed any desire for anything other than a sensible agreement”.⁵¹ He explained that a “permit-based system” would not necessarily be “just for no deal”.⁵²
39. Mr Grayling described cabotage as an “issue”, but emphasised his goal of “the most liberal possible arrangements”.⁵³ He noted that “the total volume of cabotage within the UK by EU hauliers exceeds the total value of the import/export trade for UK hauliers”.⁵⁴ He said he “would not wish to see a constraint” on these types of journeys, for example where “an EU haulier entering the United Kingdom with a load of widgets can drop some off in London, some in Birmingham and some more in Manchester”, and he could not see why the EU would wish to impose such a constraint. He felt that there was a “big difference” between this and a situation where “an EU haulier entering the United Kingdom can pick up a consignment in Liverpool and take it to Newcastle”.⁵⁵ On the reciprocity of future arrangements, he said: “I cannot conceive of a situation where we would allow an unlevel playing field.”⁵⁶
40. Ben Rimmington, Director, Road Safety, Standards and Services, DfT, provided further information on the use of cross-trade and cabotage by UK hauliers: “Our statistics suggest that around 40% of UK international journeys ... involve an element of cross-trade or cabotage.” He noted, however, that he did not have detailed information on the patterns of cross-trade and cabotage usage within these journeys.⁵⁷
41. **It is difficult to overstate the importance of future arrangements to preserve UK-EU market access for hauliers. The Political Declaration identifies “comparable market access” for freight road transport operators as a shared negotiating objective. We call on the Government to clarify the meaning of ‘comparable’ in this context.**
42. **The continuation of the Community Licence system for UK hauliers would maintain the status quo. The published positions of the UK Government and the EU suggest that this is not a likely outcome. A UK-specific permit or licence system could provide a workable alternative. We consider that a system based on a limited number of permits should be avoided.**
43. **Cabotage and cross-trade are types of international haulage operations performed by non-resident hauliers. Future cabotage and cross-trade arrangements will therefore have a bearing on the**

50 Written evidence from the Department for Transport ([TRA0012](#)). The [Haulage Permits and Trailer Registration Act 2018](#) empowers the Secretary of State for Transport to set up an international road haulage permit scheme and a trailer registration scheme after the UK’s withdrawal from the EU.

51 [Q 57](#) (Chris Grayling MP)

52 [Q 55](#) (Chris Grayling MP)

53 [Q 58](#) (Chris Grayling MP)

54 [Q 55](#) (Chris Grayling MP)

55 [Q 58](#) (Chris Grayling MP)

56 [Q 57](#) (Chris Grayling MP)

57 [Q 78](#) (Ben Rimmington)

opportunities available to UK hauliers in the EU as well as on how EU hauliers can move goods to, from and within the UK.

44. **A significant proportion of international journeys by UK hauliers involve cabotage, cross-trade or both, but UK hauliers have a low share of total EU rates in terms of volumes transported and distance travelled. Cabotage by EU hauliers in the UK is more significant, but still relatively modest. Securing reciprocal cabotage rights may be politically difficult and we do not consider cabotage to be essential to the UK in a future UK-EU agreement on road haulage. We address the role of reciprocal cabotage on the island of Ireland in Chapter 8 of this report.**
45. **While cross-trade performed by UK hauliers is also relatively low, witnesses told us that cross-trade rights have wider implications for certain sectors or operators. We call on the Government to provide more detailed information on the importance of cross-trade to the flow of goods in and out of the UK, including any significant sectoral implications.**
46. **Where the UK and EU may have primary interests in different aspects of future cabotage and cross-trade arrangements, a trade-off between these interests in a future road haulage agreement could benefit both sides. We urge the Government to work closely with the road haulage industry to make clear its priorities for future cabotage and cross-trade arrangements with the EU.**
47. **Negotiations on the EU’s ‘no deal’ measures for UK hauliers resulted in a limited, shared allocation for cabotage and cross-trade journeys. This might provide a model for future UK-EU arrangements—though such a system could be burdensome to enforce.**

Regulatory alignment

48. DPD, a parcel delivery service, took the stance that “any plans to diverge from specific EU road haulage rules for the benefit of UK hauliers must be balanced by the need for UK and EU systems to remain interoperable after Brexit”.⁵⁸ RHA supplemented this position:

“The benefits of standardisation and simplicity should not be underestimated. Having common rules allows significant practicality and operational certainty and ensures deployment of resources (human and vehicles) can be done in a clear regulatory environment.”⁵⁹

49. Nevertheless, Wincanton recommended “a review of the modules and content” of the EU’s driver CPC training, “to ensure that it is relevant to UK road users”.⁶⁰ FTA suggested that national and international CPC exams could be decoupled, observing that “new entrants to the profession of transport manager are now required to learn the entire syllabus for national and international exams, even though the majority will likely never be involved in international operations during their careers”.⁶¹

58 Written evidence from DPD ([TRA0010](#))

59 Written evidence from the Road Haulage Association ([TRA0011](#))

60 Written evidence from Wincanton PLC ([TRA0013](#))

61 Written evidence from the Freight Transport Association ([TRA0017](#))

50. FTA argued for the introduction of a “3-in-1 driver card” as a move away from “inspection of physical documents”. It explained that EU legislation required “vocational drivers ... to carry a digital tachograph card and Driver Qualification card whilst driving and possess a driving licence”, even though “only the tachograph card has a technical function”.⁶²
51. Aricia Limited criticised the “complex regulations” on drivers’ hours, noting that “the Government’s own ‘simplified’ guidance runs to 23 pages”. Aricia argued that “the driver’s day has gradually been lengthened through a number of EU related changes”, suggesting that measures be introduced to reverse this trend.⁶³ Wincanton felt that the overlay of the Working Time Directive on drivers’ hours rules was “unnecessary” and “onerous to manage”.⁶⁴ A similar argument was made by FTA: “FTA members have long been of the view that the application of the Working Time Directive to workers who are already subject to the rigours of the driver’s hours rules is a significant regulatory burden with little demonstrable benefit.”⁶⁵
52. We note that the Government has made a commitment not to reduce the standards of workers’ rights from EU laws retained in UK law.⁶⁶
53. That said, FTA said that overall there were “hardly any EU rules [their] members would like to be able to diverge from”.⁶⁷ James Hookham, Deputy Chief Executive, FTA, concluded that, while over the years the industry had been frustrated by “how detailed and specific Directives and Regulations are ... or the administrative arrangements that the Government have to put in place”, any adjustments should not be seen as “some kind of compensation for the kind of traumas we anticipate the road haulage sector going through”.⁶⁸

The Government’s position

54. The Government highlighted that the “vast majority (76% by vehicle movements) of UK-EU haulage is undertaken by EU hauliers” and noted that many UK operators did not undertake international haulage at all. In this context, the Government noted that Brexit would mean that the “UK can fully consider the merits of legislation ... and ensure that this works for the UK haulage sector”. At the same time, it pointed out that “the case for divergence on any given element of regulation will need to be considered in the light of the outcome of negotiations”. The Government also clarified that it “does not have any immediate plans to change the current regulatory framework”, and is committed to “high standards in areas such as employment and the environment”.⁶⁹
55. **In a few areas divergence from EU haulage standards would reduce the compliance burden for UK hauliers, particularly in relation to domestic-only operations. The Political Declaration suggests that the depth of market access under a future arrangement will be a function of the alignment between UK and EU rules in a number of policy areas, including social standards and conditions of employment. The**

62 *Ibid.*

63 Written evidence from Aricia Limited (TRA0021)

64 Written evidence from Wincanton PLC (TRA0013)

65 Written evidence from the Freight Transport Association (TRA0017)

66 See for example: Department for Business, Energy & Industrial Strategy, ‘Workers’ rights to be protected in UK law’ (6 March 2019): <https://www.gov.uk/government/news/workers-rights-to-be-protected-in-uk-law> [accessed 2 May 2019].

67 Written evidence from the Freight Transport Association (TRA0017)

68 Q 42 (James Hookham)

69 Written evidence from the Department for Transport (TRA0012)

limited benefits of regulatory divergence are unlikely to outweigh the opportunities of greater market access.

Contingency arrangements

56. Witnesses from the haulage sector stressed the utmost importance of, in the words of Mr Buchanan, agreeing “a deal of any sort” with a transition period “to mitigate the worst of the possible impacts”. However, he warned that future arrangements for hauliers must be forthcoming to enable the industry to use the transition period to implement them.⁷⁰ Mr Buchanan concluded:

“If we find ourselves here again in two years’ time, looking at a situation where we are leaving but we do not know what customs arrangements we will have and what the permits are for road haulage, we will be in the same position as we are in now. We need to move on so that we can implement something.”⁷¹

57. The Government’s ‘no deal’ technical notice on commercial haulage, published on 24 September 2018, set out two contingency measures—ECMT permits and bilateral agreements.⁷² We consider these measures below in terms of their potential efficacy in the absence of agreed future arrangements for the haulage sector. We discuss the EU’s contingency arrangements for road haulage earlier in this Chapter.

ECMT permits

58. The first contingency measure set out by the Government was the use of ECMT permits, which are described in Box 2.

Box 2: The European Conference of Ministers of Transport permit scheme

The European Conference of Ministers of Transport (ECMT)—now known as the International Transport Forum—was established in 1953 under the auspices of the Organisation for Economic Cooperation and Development (OECD) as an international platform for discussing and coordinating transport policies.

In 1974, it created a system of multilateral haulage permits to enable the transport of goods in 43 countries. All EU Member States (except for Cyprus) are members of the ECMT scheme, alongside Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Liechtenstein, Macedonia, Moldova, Montenegro, Norway, Russia, Serbia, Switzerland, Turkey and Ukraine.

Unlike the Community Licence, ECMT permits are limited in number and do not allow for cabotage. ECMT permits provide for cross-trade and transit, though the latter is restricted in Italy, Austria, Hungary, Greece and Russia.

Sources: International Transport Forum, ‘About the Multilateral Quota’: <https://www.itf-oecd.org/about-multilateral-quota> [accessed 12 December 2018]; International Transport Forum, ECMT multilateral quota: user guide (January 2014): <https://www.itf-oecd.org/sites/default/files/docs/13mqguide.pdf> [accessed 12 December 2018]; Department for Transport, ‘International road haulage: operator licences and permits’ (4 September 2012): <https://www.gov.uk/guidance/international-authorisations-and-permits-for-road-haulage> [accessed 12 December 2018]; and written evidence from the Freight Transport Association (*TRA0017*)

70 [Q 39](#) (Duncan Buchanan)

71 *Ibid.*

72 Department for Transport, ‘Commercial road haulage in the EU if there’s no Brexit deal’ (24 September 2018): <https://www.gov.uk/government/publications/commercial-road-haulage-in-the-eu-if-theres-no-brexit-deal> [accessed 18 December 2018]. The publication was replaced with a new notice on 14 January 2019: Department for Transport, ‘Prepare to drive in the EU after Brexit: lorry and goods vehicle drivers’ (14 January 2019): <https://www.gov.uk/guidance/prepare-to-drive-in-the-eu-after-brexit-lorry-and-goods-vehicle-drivers> [accessed 23 April 2019]

59. In early November 2018, DfT issued guidance on the allocation criteria for the limited number of ECMT permits available for the UK in 2019:
- The vehicle’s emission levels;
 - The number of international journeys made in the preceding 12 months;
 - The proportion of international haulage over the applicant’s total operations;
 - The type of goods carried;
 - An element of weighted random selection, intended to “make sure permits will also be allocated to more hauliers including small and medium sized operators”.⁷³

DfT expected “the number of applications for ECMT permits [to] exceed the number of permits available”.⁷⁴ Mr Buchanan agreed with this assessment: “ECMT permits are insufficient for the needs of the market”.⁷⁵ FTA estimated that “ECMT permits would cover 2% to 5% of transport needs”.⁷⁶

60. On 5 March 2019 the Government announced that it had secured a limited number of additional ECMT permits at the ECMT Road Transport Group meeting.⁷⁷

Bilateral agreements

61. The second contingency measure set out in the Government’s ‘no deal’ notice was an intention to “bring previous bilateral agreements with individual EU countries back into force and conclude new ones as swiftly as possible”.⁷⁸ Mr Buchanan told us: “Analysis of previous bilateral agreements is that many of them can be restarted without major legislative requirements in either the UK or the EU. I believe that about 19 countries fall into that category.” However, some agreements may be more difficult to reinstate than others: “Belgium requires major legislative work, as do Denmark, Ireland and Hungary.”⁷⁹ Mr Hookham observed that under bilateral agreements, “There is no clear number of permits that will be available ... and it is almost

73 Department for Transport, *International Road Haulage Permits: Guidance on Determining Permit Allocations* (November 2018), pp 11–12: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753828/ecmt-haulage-permits.pdf [accessed 29 November 2018]. The UK’s initial allocation for 2019 was 984 annual permits for Euro VI emission vehicles, 2,592 monthly permits for Euro VI emission vehicles, and 240 monthly permits for Euro V or VI emission vehicles.

74 Department for Transport, *International Road Haulage Permits: Guidance on Determining Permit Allocations* (November 2018), p 1: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/753828/ecmt-haulage-permits.pdf [accessed 29 November 2018]

75 [Q 39](#) (Duncan Buchanan)

76 Written evidence from the Freight Transport Association ([TRA0017](#))

77 The additional permits brought the UK’s 2019 totals to 1,320 annual Euro VI permits, 290 annual Euro V permits, 3,744 short-term Euro VI permits (valid for 30 days) and 1,080 short-term Euro V permits (valid for 30 days). Department for Transport, ‘*International road haulage permits guidance on determining permit allocations March 2019 new application window*’ (5 March 2019): <https://www.gov.uk/government/publications/allocation-of-ecmt-haulage-permits-guidance-for-hauliers/international-road-haulage-permits-guidance-on-determining-permit-allocations-march-2019-new-application-window> [accessed 29 November 2018]

78 Department for Transport, ‘Commercial road haulage in the EU if there’s no Brexit deal’ (24 September 2018): <https://www.gov.uk/government/publications/commercial-road-haulage-in-the-eu-if-theres-no-brexit-deal/commercial-road-haulage-in-the-eu-if-theres-no-brexit-deal> [accessed 29 November 2018]

79 [Q 40](#) (Duncan Buchanan)

certain that it would still be insufficient to support current levels of trade”.⁸⁰ Mr Buchanan added: “Bilateral permits are clunky; each of them is different and you have to carry multiple ones ... People will try to make it work, but it will be expensive and inconvenient.”⁸¹

Operation Brock

62. Many witnesses expressed concern at the implications for road hauliers of delays arising from future immigration and customs controls. We discuss the Government’s contingency arrangements to manage lorry queues around the Port of Dover in Box 3, but note that Holyhead may face similar consequences and that some implications will apply to other ports across the UK.

Box 3: Operation Stack and Operation Brock

‘Operation Stack’ describes a procedure used by Kent Police and the Port of Dover to park heavy goods vehicles on the M20 motorway when there is disruption to cross-channel services. A temporary new procedure is to be introduced to maintain traffic flow in case of delays at the border, including any that may arise from Brexit. The National Audit Office (NAO) explained in a July 2018 report:

“At present, Operation Stack manages congestion on the M20 to Dover when ferry or rail services are disrupted. The Department has identified an interim replacement for Operation Stack, called ‘Project Brock’, which will allow for the flow of traffic in both directions on the M20 using a contraflow on one carriageway while the other is used to queue lorries.”

The project, later named ‘Operation Brock’, is sponsored by DfT and delivered by Highways England. The Secretary of State provided us with further details:

“There is additional capacity in place in and around the Port of Dover compared with 2015 for a small number of trucks—I emphasise a small number. We then have a section of the M20 where work is being carried out to strengthen both hard shoulders to enable one carriageway to be used for lorry parking. The other would operate as a dual carriageway in both directions so that conventional motorway traffic can continue through Kent.”

On 11 April 2019 Highways England announced that the contraflow installed on the M20 would be “deactivated” in the light of the reduced threat of disruption to services across the Channel following the decision by EU leaders to extend Article 50. The steel barrier installed on the Londonbound carriageway would, however, remain in place “should Operation Brock be required again in the coming months”.

Sources: National Audit Office, *Department for Transport: Implementing the UK’s Exit from the European Union* (19 July 2018), p 9: <https://www.nao.org.uk/wp-content/uploads/2018/07/Implementing-the-UKs-Exit-from-the-European-Union.pdf> [accessed 18 December 2018]; Q 54 (Chris Grayling MP); Highways England, ‘Operation Brock - work to remove M20 contraflow starts tonight’ (11 April 2019): <https://www.gov.uk/government/news/operation-brock-work-to-remove-m20-contraflow-starts-tonight> [accessed 23 April 2019]

80 Q 40 (James Hookham)

81 Q 40 (Duncan Buchanan)

The Government's position

63. The Minister of State, Jesse Norman MP, told us in March that ECMT permits were part of a ‘no deal’ landscape that also included the EU’s contingency measures and bilateral agreements.⁸² Mr Rimmington said DfT was clear that the ECMT system would not be able “to meet anything like the current levels of trade between the UK and our major trading partners in Europe”, adding that the initial allocation of permits was 11 times oversubscribed.⁸³
64. Mr Rimmington told us that the priority for securing bilateral arrangements was “access points for the UK into the continental market—France, Netherlands, Belgium and Germany—and our key overall trading partners such as Spain and Italy”. He said that updated agreements had not been signed, but “good informal progress” had been made, and “we are in a reasonably good place to be ready for that world if it is the world that we have to enter”.⁸⁴
65. The Minister of State emphasised that Project Brock was “not at all related merely to Brexit [but] to do with resilience in the system overall”. He said that the “phased deployment” of Project Brock would be “much safer ... than if roads and byways are choked with traffic”.⁸⁵ Mr Rimmington added that “the overall holding capacity matches [the Government’s] assessment of the worst reasonable case scenario”.⁸⁶
66. **The ECMT system facilitates road haulage in Europe and surrounding regions. In the absence of an agreement on road haulage, ECMT permits would allow some UK-EU journeys, but permits are limited in number, do not allow cabotage and present some restrictions on transit. The limited number of available permits appears to be the most significant limitation. The first-round allocation of available permits to UK hauliers demonstrated that the supply is vastly outstripped by demand.**
67. **Bilateral agreements between the UK and individual Member States would also facilitate haulage in the absence of a comprehensive agreement with the EU. A number of historical bilateral agreements could be reinstated without major legislative work, although some would be more difficult to revive. We support the Government’s prioritisation of negotiations with the UK’s nearest neighbours and major trading partners. We note that EU-level arrangements, such as a basic agreement or contingency measures, may place restrictions on bilateral agreements with Member States.**

82 [Q 80](#) (Jesse Norman MP)

83 [Q 80](#) (Ben Rimmington)

84 [Q 79](#) (Ben Rimmington)

85 [Q 69](#) (Jesse Norman MP)

86 [Q 70](#) (Ben Rimmington)

CHAPTER 3: BUS AND COACH TRANSPORT

68. Bus and coach services are usually divided into three categories (also reflected under EU law):⁸⁷
- Regular services—passengers picked up and set down at fixed places on a specified route;
 - Special Regular services—Regular services offered exclusively to specified categories of passengers, such as school bus services;
 - Occasional services—any service which does not fall into the other two categories, for example school trips and coach holidays.
69. UK bus and coach operators must hold a valid operator licence. This can be obtained from a Traffic Commissioner in Great Britain or from the Northern Ireland Driver and Vehicle Agency in Northern Ireland. International services require a specific type of licence, covering national and international operations, and are subject to additional requirements under EU legislation (set out below).
70. The Government has suggested that “it is harder to provide detailed sectoral statistics on buses and coaches than it is for road haulage, as there is significantly less data available”.⁸⁸ Some indication of passenger flows is provided by the Office for National Statistics, which estimated that in 2017 approximately 1.6 million non-UK residents travelled into the UK⁸⁹ and around 1.1 million UK residents travelled out of the UK by coach on sea and cross-Channel routes.⁹⁰
71. The Confederation of Passenger Transport (CPT) estimated: “British coaches make around 30,000 journeys into Europe each year on hires and holidays, and around 7,000 journeys per year on regular services.” These estimates exclude trips to the Republic of Ireland.⁹¹

The EU regulatory framework

72. EU law requires international bus and coach services to possess a Community Licence, which authorises operations and establishes rights such as cabotage on international services.⁹² Regular services must also be authorised by

87 Article 2, Council Regulation (EC) No 1073/2009 of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 (recast), *OJ L 300/88* (14 November 2009)

88 Department for Exiting the European Union, *Road Haulage and Passenger Transport Sector Report* (21 December 2017), p 4: <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Sectoral%20Analyses/33-Road-Haulage-and-Passenger-Transport-Report.pdf> [accessed 25 November 2018]

89 Office for National Statistics, ‘Travel trends estimates: overseas residents in the UK’, 2017, table 4.08: Visits to the UK: by type of vehicle used and country of residence 2017 (17 August 2018): <https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/datasets/overseasresidentsvisitsstotheuk> [accessed 23 April 2019]

90 Office for National Statistics, ‘Travel trends estimates: UK residents’ visits abroad, 2017’, 2017, table 5.08: Number of visits abroad: by type of vehicle used and main country visited 2017 (17 August 2018): <https://www.ons.gov.uk/peoplepopulationandcommunity/leisureandtourism/datasets/ukresidentsvisitsabroad> [accessed 23 April 2019]

91 Written evidence from The Confederation of Passenger Transport (*TRA0006*)

92 Council Regulation (EC) No 1073/2009 of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006, *OJ L 300/88* (14 November 2009). In the UK, Community Licences are automatically issued to transport operators who obtain an operator licence for national and international operations.

a competent national authority in consultation with counterparts in all Member States along the planned route. The authorisation can be refused in specific circumstances, including when the new service would threaten a comparable one operated under a public service contract.⁹³ This framework is in force throughout the EEA.

Future UK-EU arrangements

73. We explore Northern Ireland–Ireland passenger transport in more detail in Chapter 8: the rest of this Chapter focuses on GB-EU passenger transport.
74. As with hauliers, the Government’s White Paper called for the exploration of “options for reciprocal access” for road passenger transport operators. CPT held that an agreement on passenger transport would have the mutually beneficial outcome of enabling “British businesses to continue to offer services that passengers want, while allowing EU-based operators to profit from bringing tourists (and others) to the UK”.⁹⁴ Translink argued that an agreement should principally aim to ensure that “cross-border passenger services continue to be provided with as little additional administration, disruption or restriction as possible”. Translink also noted that a future arrangement on passenger transport would need to be underpinned by mutual recognition provisions in areas such as operator licences, driver licences and vehicle standards.⁹⁵
75. Bus Users UK focused on the implications of an agreement for consumers. It emphasised that “the low cost of coach travel makes it the choice of travellers on more limited incomes”, and felt that any future increased administrative costs for operators would “inevitably be passed on to customers”. An effective agreement on passenger transport would require appropriate arrangements to facilitate border crossings, for example “an agreed system for pre-authorisation of passenger passports”. Bus Users UK reinforced this point by observing that changing vehicles at a border would be problematic for “older or disabled passengers”, particularly if there were different accessibility standards between vehicles.⁹⁶

Cabotage

76. Steven Salmon, Director of Policy Development, CPT, explained that GB-based operators made limited use of cabotage rights: “You may take a school party over to France and ... you may take out a party consisting of host schoolchildren and the visitors. That is technically cabotage, and it would be irritating if it was prohibited ... But, in the overall scheme of things, it is not a top priority.”⁹⁷ We note that Translink outlined a markedly different scenario for passenger services on the island of Ireland.⁹⁸

Regulatory alignment

77. Mr Salmon drew attention to the “very detailed EU rules about driving time and rest for drivers”, suggesting that the threshold for exemption of short

93 Article 5, Council Regulation (EC) No 1073/2009 of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 (recast), [OJL 300/88](#) (14 November 2009)

94 Written evidence from The Confederation of Passenger Transport ([TRA0006](#))

95 Written evidence from Translink ([TRA0020](#))

96 Written evidence from Bus Users UK ([TRA0009](#))

97 [Q 50](#) (Steve Salmon)

98 Written evidence from Translink ([TRA0020](#))

Regular services from the EU drivers' hours rules, which is currently set at 50 kilometres, be revised. He also highlighted onerous CPC requirements for domestic bus and coach drivers:

“We have a lot of people who may have another job or may be retired, who come out for a couple of hours a day during school terms, drive kids to school and go home, and then they take them home again in the early afternoon. They have the same requirement for that certificate of professional competence as someone who is driving internationally all the time. We think that is over the top, because it requires five days' training every five years.”⁹⁹

78. We note that some EU requirements are designed to ensure passenger and driver safety.
79. **Bus and coach transport provides consumers with a low-cost option for international travel, and an agreement to maintain UK-EU services would have clear reciprocal benefits for both markets. We note the objective set out in the Political Declaration to seek comparable market access arrangements for passenger transport operators as well as road hauliers.**
80. **As for road haulage, the Political Declaration suggests that regulatory alignment will be a prerequisite to a liberalised market access arrangement for passenger transport. There may be some areas where it would be beneficial for UK operators to diverge from EU rules, though the benefits of divergence are unlikely to outweigh those brought by the maintenance of market access.**

Contingency arrangements

The Interbus Agreement

81. In its ‘no deal’ technical notice for bus and coach drivers, published on 14 January 2019, the Government highlighted that Occasional services could continue under the terms of the Interbus Agreement (‘Interbus’), once the UK re-joined the agreement in its own right.¹⁰⁰ We discuss Interbus in Box 4.

99 [Q 53](#) (Steve Salmon)

100 Department for Transport, ‘Prepare to drive in the EU after Brexit: bus and coach drivers’ (31 October 2019): <https://www.gov.uk/guidance/prepare-to-drive-in-the-eu-after-brex-it-bus-and-coach-drivers> [accessed 23 April 2019]

Box 4: The Interbus Agreement

The agreement on the international occasional carriage of passengers by coach and bus (‘Interbus’) is a multilateral treaty concluded between the EU, on behalf of its Member States, and several eastern European countries: Albania, Bosnia and Herzegovina, Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Turkey and Ukraine.

Interbus sets a general principle of non-discrimination “on the grounds of the nationality or the place of establishment of the transport operator, and of the origin or destination of the bus or coach”. It exempts Occasional bus and coach services—with some exceptions—from authorisation and from any vehicle taxes or special taxes on transport operations levied by the contracting parties. Services in scope of the agreement are subject to EU rules on access to the occupation of road transport operators, vehicle standards and social rights of workers (for example driving hours limits). Accession to Interbus is open to all ECMT members.

At present, the scope of Interbus is limited to Occasional services and it does not allow for cabotage. A Protocol extending Interbus to Regular international and Special Regular international services was opened for signature on 16 July 2018. The Protocol does not include cabotage rights.

The UK currently participates in Interbus through its membership of the EU. The Government intends to re-join the agreement after the UK’s withdrawal from the EU. On 12 September 2018 it laid the agreement, alongside the Protocol on extension to regular and special regular services, before Parliament. If the UK leaves the EU without a deal the UK will become an independent member of the Interbus Agreement.

Sources: Agreement on the international occasional carriage of passengers by coach and bus (Interbus Agreement), OJ L 321 (26 November 2002); Foreign and Commonwealth Office, Agreement on the international occasional carriage of passengers by coach and bus (Interbus Agreement) and Decision No 1/2011 of the Joint Committee established under the Interbus Agreement ... and Protocol to the agreement on the international occasional carriage of passengers by coach and bus (Interbus Agreement) regarding the international regular and special regular carriage of passengers by coach, Cm 9699, September 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739946/MS_9.2018_Interbus.pdf [accessed 18 December 2018]

82. CPT described Interbus as a “ready-to-sign agreement” and said it would be “fit for purpose for coach hire and coach holidays”. CPT did however note that “Interbus does not allow for cabotage, nor does it currently allow for regular services”.¹⁰¹
83. Mr Salmon told us that accession to Interbus was “the top priority” for CPT.¹⁰² Accession would not however override other “unwelcome” developments such as the need for drivers to carry an International Driving Permit and an insurance Green Card.¹⁰³

The EU’s contingency measures

84. On 19 December 2018, the Commission proposed temporary measures to facilitate access to the EU by UK hauliers in a ‘no deal’ scenario, contingent

101 Written evidence from The Confederation of Passenger Transport (TRA0006)

102 Q 50 (Steve Salmon)

103 Written evidence from The Confederation of Passenger Transport (TRA0006). See Chapter 4 for analysis of future arrangements for driving licences and insurance Green Cards.

on reciprocal rights being granted to EU hauliers in the UK.¹⁰⁴ The final negotiated text was expanded to allow UK operators temporarily to carry passengers from the UK to the EU and *vice versa*, also contingent on EU operators being granted equivalent rights in the UK.¹⁰⁵ The measure was intended to maintain continuity until the Protocol to the Interbus agreement on Regular and Special Regular services entered into force and the UK acceded to that Protocol.¹⁰⁶

85. Specific contingency arrangements were made for passenger transport in the border regions of the island of Ireland, which we discuss further in Chapter 8.
86. Neither the EU measures nor the Interbus Agreement permit transit through the EU to reach a third country. This means that without a further UK-EU arrangement, UK operators would not be able to run services to countries that are not part of the EU or party to the Interbus Agreement, such as Switzerland.¹⁰⁷
87. **The UK's independent accession to the Interbus Agreement would assure cross-channel coach trips, whether or not there was a wider UK-EU agreement on bus and coach transport. The Interbus Agreement does not extend to Regular and Special Regular services. While this is a major limitation currently, steps are being taken to expand the Agreement to include these services. A further limitation is that the Interbus Agreement cannot be used to transit through the EU to reach non-contracting parties, such as Switzerland.**
88. **We note that the Government has taken steps to ensure that the UK can accede to Interbus if the UK leaves the EU without a deal on 31 October 2019.**

104 The Government laid an SI on 26 February 2019 to provide EU bus and coach operators access to the UK. The Licensing of Operators and International Road Haulage (Amendment etc.) (EU Exit) Regulations 2019 ([SI 2019/708](#))

105 The Common Rules for Access to the International Market for Coach and Bus Services (Amendment etc.) (EU Exit) Regulations 2019 ([SI 2019/741](#))

106 Regulation (EU) 2019/501 of the European Parliament and of the Council of 25 March 2019 on common rules ensuring basic road freight and road passenger connectivity with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union, [OJL 85/16](#) (27 March 2019)

107 Department for Transport, 'Prepare to drive in the EU after Brexit: bus and coach drivers' (14 January 2019): <https://www.gov.uk/guidance/prepare-to-drive-in-the-eu-after-brex-it-bus-and-coach-drivers> [accessed 23 April 2019]

CHAPTER 4: PRIVATE MOTORING

89. Commercial drivers and private motorists alike share an obligation to carry a driving licence valid in the territory in which they are driving. Between 1980 and 2006 the EU progressively harmonised the regulatory framework for driving licences, with a view to facilitating travel within the Union. Efforts culminated in a single driving licence model, with mutual recognition and harmonised requirements around licences' issue, validity and renewal, vehicle categories and standards for examiners. EU law also enables EU citizens who move to a different EU country to exchange their driving licence without taking another driving test.¹⁰⁸
90. Subject to national legislation, drivers from non-EU countries may be required to carry an International Driving Permit (IDP) when travelling abroad. An IDP is a multilingual translation of a driving licence, which can be issued under one of three conventions: the 1926 International Convention relative to Motor Traffic, the 1949 Geneva Convention on Road Traffic or the 1968 Vienna Convention on Road Traffic.¹⁰⁹ The type of IDP required depends on which convention is applied. Within Europe, the Republic of Ireland, Spain, Malta and Cyprus are parties to the 1949 Geneva Convention on Road Traffic; all other EU countries, along with Norway and Switzerland, are parties to the 1968 Vienna Convention on Road Traffic. The 1926 Convention is applied only by Liechtenstein.
91. Private motorists may also make use of a Green Card when driving abroad. Green Cards are “an international certificate of insurance providing visiting motorists the minimum compulsory insurance cover required by the law of the country visited”.¹¹⁰ Carrying a Green Card removes the requirement for motorists to purchase additional third-party motor insurance policy cover. They are accepted in 48 countries, including EU and EEA Member States, Switzerland, Russia and several countries in the Middle East. The Green Card system is run by the national insurance bureaux of participating countries through an organisation called the Council of Bureaux.
92. The national insurance bureaux of EU and EEA Member States as well as Andorra, Switzerland and Serbia have concluded a multilateral agreement that establishes a Green Card-free circulation area.¹¹¹ This means that the driver of a vehicle registered in a participating country does not need to carry a Green Card as proof of third-party insurance cover when driving in another participating country.

Future UK-EU arrangements

93. The Government's White Paper noted “arrangements for private motoring” as a general negotiating objective. The Automobile Association (AA)

108 Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences (recast), [OJ L 403/18](#) (30 December 2006)

109 United Nations Geneva Convention on Road Traffic (19 September 1949): https://treaties.un.org/doc/Treaties/1952/03/19520326%2003-36%20PM/Ch_XI_B_1_2_3.pdf; United Nations Vienna Convention on Road Traffic (8 November 1968): https://www.unece.org/fileadmin/DAM/trans/conventn/Conv_road_traffic_EN.pdf [accessed 13 December 2018]

110 Motor Insurers Bureau, ‘Green card system explained’: <https://www.mib.org.uk/making-a-claim/accidents-in-the-uk-involving-a-foreign-registered-vehicle/green-card-system-explained/> [accessed 13 December 2018]

111 Agreement between the national insurers' bureaux of the Member States of the European Economic Area and other Associate States (29 May 2008): https://www.cobx.org/sites/default/files/cob_file_folder/08-Multilateral-Agreement.pdf [accessed 14 January 2019]

highlighted that, unless an agreement was reached on recognition of UK licences, “UK drivers wishing to drive in Europe ... would need to apply for and carry an International Driving Permit (IDP)”.¹¹²

94. The AA added that, without an agreement, UK drivers might even “have to carry two separate IDPs”. For example, “a driver heading to Spain via France would have to apply for, pay for and carry both a 1968 and a 1949 convention IDP”. The AA also pointed out that “each type of IDP is valid for a different period”—12 months for the 1949 convention IDPs and three years for the 1968 convention IDPs.¹¹³
95. Another concern was registered by the RAC: without arrangements for recognition, UK citizens living in the EU would be required to return to the UK to obtain a (time-limited) IDP, or take “a driving test in their country of residence”. It called for “clarity so that motorists heading abroad have adequate time to prepare for anything that a deal may bring”.¹¹⁴
96. Mr Salmon highlighted that without an agreement, UK drivers would need to “carry ... an insurance Green Card”.¹¹⁵ The Government’s ‘no deal’ technical notice on requirements for UK drivers confirmed that, in the absence of a specific decision by the Commission, UK motorists would be required to obtain a Green Card when travelling to EU and other EEA countries.¹¹⁶
97. The RAC felt that the current arrangements under EU law provided for “the quickest and least administratively burdensome journey”, but accepted that any new arrangement could mean drivers would need “additional paperwork ... before heading abroad”. It concluded: “Where drivers need to apply for extra documentation for their vehicles, we would encourage that this is done in a way that is simple, fast, and cost effective and could be done digitally, in person or by phone.”¹¹⁷
98. We note that the Government has indicated that arrangements for EU and EEA licence holders living in the UK “will not change” in the event of ‘no deal’. They would be allowed to use their driving licence for up to three years after becoming residents and exchange it for a UK one without re-testing—provided they passed their test in the EU or EEA. EU/EEA motorists visiting the UK would not need an IDP, but would be expected to carry a Green Card.¹¹⁸

The Government’s position

99. Mr Grayling confirmed that without arrangements for the recognition of driving licences, drivers would need to “revert to a system of international driving permits of the kind that existed before our membership of the EU”. He described the practical implications of this: “If you want to drive on the

112 Written evidence from The Automobile Association ([TRA0026](#))

113 *Ibid.*

114 Written evidence from RAC Limited ([TRA0027](#))

115 Written evidence from The Confederation of Passenger Transport ([TRA0006](#))

116 Department for Transport, ‘Prepare to drive in the EU after Brexit’ (25 October 2018): <https://www.gov.uk/guidance/prepare-to-drive-in-the-eu-after-brexid> [accessed 13 December 2018]

117 Written evidence from RAC Limited ([TRA0027](#))

118 Department for Transport, ‘Prepare to drive in the EU after Brexit’ (25 October 2018): <https://www.gov.uk/guidance/prepare-to-drive-in-the-eu-after-brexid> [accessed 23 April 2019]

continent you walk down to the local post office with your driving licence, you get a driving permit that costs a few pounds, and you carry on driving.”¹¹⁹

100. We asked Jesse Norman MP about IDP permits in the context of the Government’s ‘no deal’ preparations. He agreed that the requirement to visit a Post Office to obtain an IDP was not an optimal arrangement and acknowledged that some journeys would require a driver to get more than one permit.¹²⁰
101. The Minister also outlined the Government’s efforts to raise public awareness of IDPs: “We put a lot of energy behind not just an extremely simple process on GOV.UK so that people can go and do it, but posters and radio adverts ... We have also advertised this through the AA and the RAC, which were the previous providers of international driving permits.”¹²¹
102. In our November 2018 session with the Secretary of State, Martin Jones, Deputy Director, EU Division, DfT, explained that arrangements for the Green Card-free circulation area were open to third countries.¹²² In our later evidence session with the Minister of State, Mr Rimmington described “a very peculiar interaction between EU law and the wider green-card arrangements”, whereby the Commission was required to issue an implementing decision to give effect to the accession of a third state to the Green-Card free circulation area. He told us that the Government had written to the Commission, but “as of yet it has declined to make any such decision”.¹²³
103. **The mutual recognition of driving licences and the establishment of the Green Card-free circulation area have brought substantial benefits to commercial drivers and private motorists. We encourage the Government to seek continuation of present arrangements as part of a future arrangement with the EU.**
104. **The inconvenience and additional costs of International Driving Permits and Green Cards should not be underestimated. We find the present requirement for UK drivers to visit a Post Office to obtain an International Driving Permit unsatisfactory. We therefore urge the Government to improve accessibility, including the addition of an online option.**

119 [Q 54](#) (Chris Grayling MP)

120 [Q 74](#) (Jesse Norman MP)

121 *Ibid.*

122 [Q 54](#) (Martin Jones)

123 [Q 74](#) (Ben Rimmington)

CHAPTER 5: VEHICLE STANDARDS

Global standards

105. At the international level, standards for road vehicles are developed by the World Forum for Harmonization of Vehicle Regulations (WP.29), which sits within the United Nations Economic Commission for Europe (UNECE). WP.29 covers a range of vehicle design and manufacturing aspects, including safety, environmental performance, energy efficiency and anti-theft performance. It administers two UN agreements to which the individual EU Member States and the EU are all contracting parties in their own right.¹²⁴
106. Mike Hawes, Chief Executive Officer, Society of Motor Manufacturers, told us that “different markets implement [UNECE regulations] to a greater or lesser extent”. He described the EU and the US as “the major regulatory powerhouse[s]”, and said that the EU was “hugely influential globally”, particularly on environmental and safety standards. Mr Hawes also told us that China’s environmental rules were generally based on EU standards.¹²⁵
107. We note that the Government, in correspondence with the House of Commons European Scrutiny Committee in February 2018, indicated that “the EU generally persuades the UNECE to essentially copy EU-developed environmental regulations”, whereas for safety, “the process is more collaborative”.¹²⁶
108. Mr Hawes said it was important that the UK should be “at the table” to influence the EU, as “the UK automotive sector ... is different from just about any other Member State because we have a long tail of small, high-performance and luxury manufacturers”.¹²⁷
109. On the other hand, Wincanton took the view that Brexit also presented an opportunity for the UK to “lead the industry in setting standards for new low-carbon and automated vehicles”, without “legacy restrictions from the EU in manufacturing and operation”.¹²⁸

The Government’s position

110. When asked about the risk that the UK might lose its influence on global standards after Brexit, Mr Grayling took the position that “standards are now becoming more global than continental in nature”. He asserted that “the individual influence of the EU will diminish in this respect”, adding that “to a more substantial degree than ever, Asia is influencing these things”.¹²⁹ The Secretary of State concluded: “We do not live in a world that is dominated just by the EU. We will be part of global forums that influence and shape.”¹³⁰

124 The list of contracting parties to the 1958 Agreement is available at <http://www.unece.org/trans/maps/un-transport-agreements-and-conventions-18.html> [accessed 7 May 2019]. Contracting parties to the 1998 Agreement are listed here: <http://www.unece.org/trans/maps/un-transport-agreements-and-conventions-20.html> [accessed 7 May 2019].

125 Q 45 (Mike Hawes)

126 Letter from Jesse Norman MP, Parliamentary Under Secretary of State, to Sir William Cash MP, Chairman of the House of Commons European Scrutiny Committee (6 February 2018): http://europeanmemoranda.cabinetoffice.gov.uk/files/2018/02/Sir_William_Cash_-_Vehicle_Type_Approval.pdf [accessed 18 December 2018]

127 Q 45 (Mike Hawes)

128 Written evidence from Wincanton PLC (TRA0013)

129 Q 64 (Chris Grayling MP)

130 *Ibid.*

111. **The Secretary of State told us that the EU’s influence in global standard-setting was waning, but other witnesses suggested that the EU was hugely influential. If the latter is and remains true, the UK will have a continuing interest in the EU’s position on standards, which will be more difficult to influence after Brexit. Nevertheless, there may be opportunities, for example, in areas relating to newer technologies, for the UK to take a leading role in international standard-setting after Brexit.**

Vehicle type-approvals

112. Type-approvals are issued by designated national authorities—in the UK, the Vehicle Certification Agency (VCA)—to certify that vehicles and vehicle parts meet specified performance standards. The UN 1958 Agreement on vehicle standards makes some provisions for mutual recognition of type-approvals for systems, parts and equipment among its contracting parties, but does not extend to whole vehicles. In the EU, vehicles can only be registered, sold and enter into service if they are manufactured in accordance with an EU type-approval issued by an EU type-approval authority. EU type-approval authorities may also act as ‘technical services’ for other national type-approval authorities, conducting tests and inspections on their behalf.¹³¹ EU type approval legislation also applies to non-EU EEA countries.

Future arrangements

113. The Government’s White Paper showcased the “mutual recognition of vehicle type approvals” as an example of the benefits of the common rulebook for goods. It also proposed mutual recognition arrangements for type-approval authorities and technical service providers.¹³²
114. FTA noted that “for many safety features, current type-approval technical requirements are ... based on UN regulations. However, even a global standard needs to be complemented with a sensible [whole vehicle] type-approval recognition scheme”. The FTA made clear that without an agreement, “type-approval certificates issued by the VCA would no longer be considered valid in the EU”.¹³³
115. Mr Hawes explored the implications of a manufacturer requiring separate type-approvals for the UK and EU:

“Even assuming that the regulations we are type approving to are identical, which we hope will be the case, we would still have to go through two tests. As it is, a manufacturer based in Europe ... has to design and engineer a vehicle for the UK with a steering wheel on the other side. That is an additional cost. If you have the additional burden of testing, which is not cheap, you are adding cost. If it is a small volume model, you will ask whether it is worth putting that car on to the market in the UK. If you say no, it could lead to a drop in consumer choice.”¹³⁴

131 Directive 2007/46/EC of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, *OJ L 263/1* (9 October 2007)

132 HM Government, *The future relationship between the United Kingdom and the European Union*, Cm 9593, July 2018, p 21: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf [accessed 13 December 2018]

133 Written evidence from the Freight Transport Association ([TRA0017](#))

134 [Q 43](#) (Mike Hawes)

116. We note that the Government has previously indicated that the EU already recognises Swiss type-approvals, which are issued “to EU standards”.¹³⁵ Mr Hawes described those arrangements as “exceptional”, since “Switzerland does not have a car manufacturing sector, so it is a matter of allowing vehicles to come into Switzerland rather than going the other way. We need something that is bilateral, and that is a greater problem.”¹³⁶

The Government’s position

117. The Government’s written submission did not discuss the mutual recognition of whole vehicle type-approvals, but did make reference to the international framework for setting type-approval standards. The Government explained that “vehicle type-approval safety regulations are ... developed internationally” within UNECE. It argued that through membership of UNECE the UK would be able to promote “harmonised international requirements”, and “ensure UN regulations do not restrict the implementation of new vehicle technologies”.¹³⁷
118. **For vehicles to be registered, sold and enter into service, they must be type-approved by a recognised authority. Failure to reach a future arrangement on mutual recognition for type-approvals would mean that two separate approvals would be required for vehicles entering the UK and the EU. This would have cost implications for manufacturers. We support the Government’s intention to seek mutual recognition of type-approvals as a mutually beneficial arrangement. We note, however, that there is no exact precedent for such a regime.**

135 Letter from Jesse Norman MP, Parliamentary Under Secretary of State, to Sir William Cash MP, Chairman of the House of Commons European Scrutiny Committee (6 February 2018): http://europeanmemoranda.cabinetoffice.gov.uk/files/2018/02/Sir_William_Cash_-_Vehicle_Type_Approval.pdf [accessed 18 December 2018]

136 [Q 44](#) (Mike Hawes)

137 Written evidence from the Department for Transport ([TRA0012](#))

CHAPTER 6: RAIL TRANSPORT

The UK's rail network

119. The privatisation of British Rail between 1994 and 1997 marked a separation between the UK's rail infrastructure and its rail services. In England, Scotland and Wales, rail infrastructure is owned, operated and developed by Network Rail, a public sector body regulated by the Office of Rail and Road (ORR).¹³⁸ This network encompasses 20,000 miles of track as well as thousands of bridges, tunnels, viaducts, signals and level crossings.¹³⁹
120. Passenger and freight services are run by privately-owned Train Operating Companies (TOCs) and Freight Operating Companies (FOCs) respectively. TOCs are the consumer face of the rail network, and generally compete for franchises to run specific routes, leasing rolling stock (trains) from rolling stock companies.¹⁴⁰
121. The rail system in Northern Ireland, in contrast, is publicly run. The Northern Ireland Transport Holding Company (trading jointly under the name Translink) is a public corporation, established in 1967 to take over the rail and bus activities of the Ulster Transport Authority. It is accountable to the Northern Ireland Department for Infrastructure for the operation of its subsidiary companies, including NI Railways, the railway operator in Northern Ireland.¹⁴¹ We explore future arrangements for road and rail transport on the island of Ireland in more detail in Chapter 8.
122. The UK's rail network connects with the EU at two points, the Channel Tunnel link between Kent and Coquelles in northern France, and the Belfast-Dublin Enterprise Line. Services through the Channel Tunnel are discussed in Box 5.

138 Different arrangements apply to the HS1 high speed line between London St Pancras International and the Channel Tunnel. HS1 Ltd is responsible for the overall management and operation of the HS1 network and subcontracts delivery of operations, maintenance and renewals to Network Rail (High Speed) Ltd. Office of Rail and Road, *ORR's annual report on HS1 Ltd 2017–2018* (July 2018): http://orr.gov.uk/_data/assets/pdf_file/0019/28414/hs1-annual-report-2017-18.pdf [accessed 18 December 2018]

139 Network Rail Limited, *Annual Report and Accounts 2018*, Cm 9630, July 2018, p 4: <http://cdn.networkrail.co.uk/wp-content/uploads/2018/07/NRL-2018-ARA-Full.pdf> [accessed 30 November 2018]

140 Some franchises have been devolved to Scotland, Wales, London and Merseyside and are managed locally.

141 Translink, 'History': <http://www.translink.co.uk/corporatesite/about-us/history/> [accessed 18 December 2018]

Box 5: The Channel Tunnel

The Channel Tunnel encompasses three 50 kilometre-long undersea tunnels between Folkestone (Kent) and Coquelles (Pas-de-Calais). Three types of services—Eurotunnel Shuttles, Eurostar passenger services and freight trains—run on two monodirectional single-track tunnels, while the third tunnel is a service tunnel.

The Treaty of Canterbury between the United Kingdom and France, signed in Canterbury Cathedral on 12 February 1986, authorised the construction and operation of the cross-Channel fixed link. It also established an Intergovernmental Commission (IGC) to govern the Tunnel on behalf of the UK and French governments.

Getlink, formerly Groupe Eurotunnel, manages and operates the Channel Tunnel under a Concession Agreement. It also runs the Tunnel’s vehicle shuttle services.

Eurostar is a separate company running high-speed passenger services through the Tunnel, connecting London with a number of European cities, including Paris, Brussels, Lille, Lyon, Avignon, Marseille, Rotterdam and Amsterdam.

In 2018, more than 22 million passengers travelled through the Tunnel on all services, amounting to a daily average of 60,000 passengers. The Tunnel carries approximately 26% of trade in goods between the UK and continental Europe, at a value of €140 billion per year.

Source: Getlink, ‘Traffic figures: Traffic volumes for the past 10 years’: <https://www.getlinkgroup.com/uk/group/operations/traffic-figures/> [accessed 23 April 2019]

The EU regulatory framework

123. Between 2001 and 2016, four EU legislative packages were adopted, with the aim of developing a single European rail area by gradually liberalising rail markets and making EU railway systems interoperable. The technical aspects of the legislation covered measures such as common provisions on railway licensing, train driver certification and safety requirements, as well as the creation of the European Railways Agency and its successor body, the European Union Agency for Railways (often still referred to as ‘the ERA’).
124. The fourth and final Railway Package of EU legislation was designed to complete the creation of a Single European Railway Area and make rail more competitive *vis-à-vis* other modes of transport. The ‘market pillar’ of the package opened domestic rail markets by introducing the right for railway undertakings established in one Member State to operate passenger services anywhere in the EU. It also provided mandatory tendering for public service contracts and set requirements for impartiality in the governance of railway infrastructure.¹⁴²
125. The EU’s Railway Packages have not yet been fully adopted in non-EU EEA countries. In particular, the recast Single European Railway Area Directive—which sets out high-level provisions on rail development, operators’ licensing

¹⁴² European Commission, ‘Rail: Fourth railway package of 2016’: https://ec.europa.eu/transport/modes/rail/packages/2013_en [accessed 18 December 2018]

and infrastructure charges—has as yet not been incorporated into the EEA Agreement, although predecessor legislation continues to apply.¹⁴³

Future UK-EU arrangements

126. The Government’s position on future UK-EU rail arrangements has remained unchanged from its negotiating slides published in June 2018: the UK will seek to conclude bilateral agreements with France, Belgium, Ireland and The Netherlands to ensure the continued smooth functioning and operation of services through the Channel Tunnel and on the Belfast-Dublin Enterprise line.¹⁴⁴ This approach is reflected in the Political Declaration.
127. John Thomas, Director of Policy, Rail Delivery Group (RDG), explained how these bilateral agreements would preserve existing services: “Essentially, it would just be replicating the arrangements that we already have on driver licensing and cross-acceptance of rolling stock, along with arrangements for access, charging and suchlike.”¹⁴⁵ HS1 stressed that bilateral agreements must “preserve current levels of fair and open access and provide an adequate enforcement mechanism to assure this”.¹⁴⁶
128. For the Channel Tunnel, Chris Jackson, Head of Transport Sector, Burges Salmon, explained that the “Treaty of Canterbury, the Concession Agreement and the rail usage contracts predate the European issues”, while acknowledging that a “formal arrangement” would still be required for the continuation of its services.¹⁴⁷ Mr Thomas agreed, and said he would “find it difficult to believe that the French would not want a bilateral agreement to ensure that cross-channel services keep running”.¹⁴⁸ This sentiment was shared by Eurostar, who supported the bilateral approach.¹⁴⁹
129. Several witnesses questioned why the Government’s approach should be limited to the preservation of existing services. RDG felt that a more ambitious set of agreements would “support future growth in the passenger market”.¹⁵⁰ HS1 agreed, citing the example of a proposed direct service from London to Frankfurt: “It is not a question of if, but when, a new service on this route will happen.” It argued that “the lack of a bilateral agreement for trains between London and Germany will stand in the way of this growth opportunity and further delay this service”.¹⁵¹
130. With regard to rail freight, FTA explained that “at present, operators tend to stop at the border where there is usually a change of locomotive and driver, but in the future our aspiration is that it should be possible to continue across

143 Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area (recast), [OJ L 343/32](#) (14 December 2012). The Directive has brought together two pieces of legislation—Council Directive 95/18/EC of 19 June 1995 on the licensing of railway undertakings, [OJ L 143](#) (19 June 1995), and Directive 2001/13/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 95/18/EC on the licensing of railway undertakings, [OJ L 075](#) (15 March 2001)—that were incorporated into the EEA Agreement and are still in force.

144 HM Government, *Framework for the UK-EU partnership: Transport* (June 2018): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714676/Framework_for_the_UK-EU_partnership_Transport.pdf [accessed 18 December 2018]

145 [Q 19](#) (John Thomas)

146 Written evidence from HS1 Ltd ([TRA0016](#))

147 [Q 19](#) (Chris Jackson)

148 [Q 19](#) (John Thomas)

149 Written evidence from Eurostar International Ltd ([TRA0003](#))

150 Written evidence from Rail Delivery Group ([TRA0007](#))

151 Written evidence from HS1 Ltd ([TRA0016](#))

borders in a more seamless way”. FTA therefore felt that limited bilateral arrangements were “not the most desirable outcome in the long run”, and that a rail agreement with the EU as a whole would broaden future options for rail freight.¹⁵²

131. Mr Thomas raised a specific question on the treatment of existing freight services that travelled beyond those states where a bilateral agreement would be in place: “What happens to the wagons that presumably have been certified in the UK ... freight operators change drivers and [locomotives] in France anyway, and they would therefore be certified to go beyond France, Belgium and The Netherlands. It is about the wagons.”¹⁵³
132. Mr Jackson highlighted that the UK’s rail interests in the EU extended beyond operating services. He warned against conflation of the “actual trains flowing”, which required a bilateral agreement, and UK-certified exports such as rolling stock components, which would also require some form of recognition.¹⁵⁴ This point was highlighted by the Government’s own ‘no deal’ notices on rail transport, discussed in Box 6.

Box 6: The Government’s ‘no deal’ notices on rail transport

The Government’s rail transport ‘no deal’ notice, published on 12 October 2018, confirmed that “if there’s no deal, operator licences issued by the ORR (as the UK’s licensing authority) to operators currently operating in the EU would not remain valid in the EU after EU exit”. This would mean that operators using ORR licences to run domestic services in another EU country would need to re-apply for an operator licence in an EU country.

A second notice, published on the same day, on rail safety and standards, listed UK certifications that would no longer be recognised in the EU if there was no deal, and advised stakeholders where it would be necessary to re-apply for certifications from an EU authority.

We note that on 27 March 2019 the EU adopted temporary measures to extend the validity of certificates, authorisations and licences necessary to main UK-EU cross-border rail services.

Sources: Department for Transport, ‘Rail transport if there’s no Brexit deal’: <https://www.gov.uk/government/publications/rail-transport-if-theres-no-brexite-deal/rail-transport-if-theres-no-brexite-deal> [accessed 18 December 2018] and Department for Transport, ‘Meeting rail safety and standards if there’s no Brexit deal’: <https://www.gov.uk/government/publications/meeting-rail-safety-and-standards-if-theres-no-brexite-deal/meeting-rail-safety-and-standards-if-theres-no-brexite-deal> [accessed 18 December 2018]; Regulation (EU) 2019/503 of the European Parliament and of the Council of 25 March 2019 on certain aspects of railway safety and connectivity with regard to the withdrawal of the United Kingdom from the Union, *OJ L 85/60* (27 March 2019)

133. Mr Thomas also reflected on the broader question of reciprocal market access for operators and manufacturers:

“We have welcomed the introduction of foreign companies in our market. They enhance competition ... they also bring some of their expertise. For example, at c2c, Trenitalia has brought a huge amount of expertise in digital signalling. We should welcome that. Furthermore, the opportunities for market openings in the EU have allowed British companies to access those markets. For example, National Express and

152 Written evidence from the Freight Transport Association (TRA0017)

153 Q 11 (John Thomas)

154 Q 11 (Chris Jackson)

Go-Ahead in particular are operating franchise-type agreements in Germany.”¹⁵⁵

134. Mr Thomas said RDG had “heard nothing to make [them] believe that access to the UK market will be restricted for those companies”,¹⁵⁶ and hoped this would be reciprocated. Mr Jackson concluded that this would be a matter for future UK-EU agreement on procurement arrangements.¹⁵⁷

COTIF

135. Both of the Government’s ‘no deal’ notices referred to the UK’s continuing obligations under the Convention concerning International Carriage by Rail (COTIF). The Government explained that COTIF sought to “facilitate and promote international passenger and freight movements by rail through increasing interoperability and harmonising standards”, adding that “the UK is a member of COTIF in its own right, as are both the EU and the individual EU Member States”.¹⁵⁸
136. RDG explained that COTIF included relevant appendices on international carriage of passengers, use of vehicles and carriage of freight, which “may be used to back-fill some gaps”. It said it was “currently working with the Intergovernmental Organisation for International Carriage by Rail (OTIF) and the International Transport Committee (CIT) to understand the framework”.¹⁵⁹ The Community of European Railway and Infrastructure Companies (CER) asserted that rail arrangements under COTIF “would not match existing access”, but could provide a stopgap.¹⁶⁰

The Government’s position

137. The Secretary of State reiterated that the Government would only seek bilateral rail agreements in the “limited places where they are really necessary at the moment”.¹⁶¹
138. In our later evidence session with the Minister of State, Mr Jones added:
- “The UK is essentially a very large domestic market with one connecting service to the continent and the cross-border service on the island of Ireland. The conclusion was reached early on that actually all we needed to do was ensure that we had the arrangements in place for those services through the Channel Tunnel and the Enterprise service from Dublin to Belfast to continue.”¹⁶²
139. On franchising, Mr Jones said that although “EU law provides some help and guarantees ... there is nothing to stop the UK opening up its franchise markets to an EU country [and] nothing to stop EU countries opening up their franchise markets to UK companies as well”.¹⁶³

155 [Q 14](#) (John Thomas)

156 *Ibid.*

157 [Q 14](#) (Chris Jackson)

158 Written evidence from the Department for Transport ([TRA0012](#))

159 Written evidence from Rail Delivery Group ([TRA0007](#))

160 Written evidence from The Community of European Railway and Infrastructure Companies ([TRA0023](#))

161 [Q 60](#) (Chris Grayling MP)

162 [Q 77](#) (Martin Jones)

163 [Q 81](#) (Martin Jones)

140. Mr Jones concluded that the implications of separating rail from the overall UK-EU trade agreement were therefore “very limited”.¹⁶⁴
141. On the progress of bilateral negotiations, Mr Jones said there was “quite a bit to work through”, but “good contacts” had been made with Member States and operators.¹⁶⁵
142. **While the UK’s railway is largely domestic, the UK has strong interests in the wider EU rail industry. The fact that UK and EU operators, manufacturers and drivers access each other’s markets, to mutual benefit, must not be overlooked.**
143. **The Government has rejected the option of a rail agreement with the EU. Cross-border services, namely the Dublin-Belfast Enterprise Line and services through the Channel Tunnel, will instead be addressed through bilateral agreements. This approach has been agreed with the Commission and is reiterated in the Political Declaration. We believe that securing the continuation of these services as they operate now is in the interest of all sides and we encourage the swift conclusion of such agreements once the UK becomes a third country.**
144. **While we accept that maintaining existing services is the most urgent priority, a more far-reaching set of bilateral agreements would provide greater certainty for long-distance freight services and support the future expansion of UK international freight and passenger services. We note that the wording of the relevant text in the Political Declaration does not preclude additional bilateral agreements.**
145. **While bilateral agreements would ensure the continued operation of international rail services, such agreements would not support the recognition of UK operator or train driving licences in the EU generally nor UK certified components placed on the market in the EU. The extent to which the UK’s continuing obligations under the Convention concerning International Carriage by Rail (COTIF) could alleviate these effects, if at all, are unclear. The Government should provide clarity on this matter.**

Regulatory alignment

The EU Agency for Railways

146. The primary role of the EU Agency for Railways (ERA) is to support the development of the single European rail area by developing common technical and operational standards, in the form of Technical Specifications for Interoperability (TSIs).¹⁶⁶ From 16 June 2019 the ERA will become the authority responsible for issuing authorisations for rail vehicles placed on the market and for issuing single safety certificates for railway undertakings. It will also become the system authority for the European Railway Traffic Management System (ERTMS).¹⁶⁷ Subject to certain conditions, and

164 *Ibid.*

165 *Ibid.*

166 TSIs primarily cover safety, reliability and availability, health, environmental protection, technical compatibility and accessibility.

167 The European Rail Traffic Management System (ERTMS) comprises the European Train Control System (ETCS) and the Global System for Mobile communications–Railway (GSM-R).

with appropriate financial and staffing contributions, third countries can participate in the ERA and be represented on the management board (without voting rights).¹⁶⁸ Norway and Switzerland have arrangements for ERA participation and cooperation respectively.

147. Unlike for other EU transport agencies, the White Paper did not envisage any ongoing UK participation in or cooperation with the ERA after Brexit. This was met with disappointment by our witnesses. The Railway Industry Association (RIA) was clear and unambiguous in its call for the Government to “negotiate membership of the European Union Agency for Railways (ERA) as part of a Brexit deal, mirroring its approach to the EU aviation, chemicals and medicine agencies”.¹⁶⁹ RDG held that the absence of UK participation would “significantly reduce any ability to influence TSIs and Common Safety Methods (where the UK has successfully provided significant influence)”.¹⁷⁰ Mr Thomas said that the UK would need to find ways of “influencing indirectly TSIs”.¹⁷¹
148. RDG argued that the UK would need some form of relationship with the ERA after Brexit:

“There are a number of areas where it will be essential to maintain close relationships with The Agency to enable international train operations. These work in both directions, with the UK recognising the Single Safety Certificates issued by The Agency along with train driving licences issued by other member states and cross acceptance certificates for rolling stock. Equally this needs to be a two-way relationship with The Agency recognising UK based maintenance activity and UK-issued train driving licences.”¹⁷²

Standards

149. HS1 could not identify any positive impact arising out of UK divergence from EU rail standards.¹⁷³ This assessment was shared by FTA.¹⁷⁴ On the other hand, while emphasising the need for harmonisation on international services, Translink saw “some advantage in the UK being able to take an independent regionalised view of the precise needs of different rail networks and services”.¹⁷⁵ Andrew Meaney, Head of Transport Team, Oxera, told us: “You need interoperability only where things need to interoperate.” He also saw a case for changing technical standards “relative to those that prevail in mainland Europe”.¹⁷⁶
150. RIA suggested that the application of EU TSIs had benefited the UK, as “UK rail supply chain products can be exported to EU countries for use without modification, thus avoiding unnecessary cost increases and retaining economies of scale and competitiveness”. They felt that divergence

168 Regulation (EU) 2016/796 requires that third countries participating in the ERA adopt and apply Union law, or equivalent national measures, in the field covered by the Regulation. Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004, [OJL 138/1](#) (26 May 2016)

169 Written evidence from Railway Industry Association ([TRA0005](#))

170 Written evidence from Rail Delivery Group ([TRA0007](#))

171 [Q 12](#) (John Thomas)

172 Written evidence from Rail Delivery Group ([TRA0007](#))

173 Written evidence from HS1 Ltd ([TRA0016](#))

174 Written evidence from the Freight Transport Association ([TRA0017](#))

175 Written evidence from Translink ([TRA0020](#))

176 [Q 6](#) (Andrew Meaney)

on technical standards risked the creation of a bespoke UK market, and would discourage exporting companies from basing themselves in the UK.¹⁷⁷ Damian Testa, Senior Policy Manager, RIA, pointed out that EU multinationals had “manufacturing sites in the UK [and] ... we want that relationship sustained”.¹⁷⁸

151. Dr Matthew Niblett, Director of the Independent Transport Commission, raised the related point that the UK industry had “been very active in the development of the EU TSIs ... [and] widened the market for products incorporating the standards around the world”. He felt that non-EU TSI products would have more limited export opportunities.¹⁷⁹
152. RDG described a situation where UK rail suppliers were required to manufacture to one set of standards for export and another for domestic use as “unenviable”—it would risk “losing them economies of scale and potentially pushing additional costs to the industry and ultimately passengers and freight customers”.¹⁸⁰ Despite a “presumption of convergence”, Mr Thomas anticipated some “instances where divergence makes sense”. He told us that “the industry” was developing a process to assess cases for divergence “based on a whole system and whole life costs ... not on benefits to an individual part of the industry”.¹⁸¹

Market structure

153. While most witnesses focused on divergence from technical standards, Mr Meaney suggested that Brexit could present the opportunity to look at changes to the structure of the UK’s rail market, for example in relation to the separate of rail infrastructure and rail operations.¹⁸²
154. Oxera argued that the separation in Great Britain of rail infrastructure (owned and managed by Network Rail) and the passenger and freight services running on it (operated commercially under franchise arrangements), while adopted as a result of privatisation, was now widespread: “Since then, EU Directives have developed in a broadly consistent manner with the GB model.”¹⁸³
155. Mr Jackson recognised that EU policy on rail services had moved towards an open access model, but emphasised that the “main legal prohibition on amalgamating train and track is in primary UK legislation that predates the relevant implementation of the EU package”. Mr Jackson told us that “you quite often see infrastructure managers [in the EU] that are separated in governance terms but not necessarily in ownership terms from the big national providers”. He cited the examples of France and Germany, where operations were “quite close together”, but still compliant with EU law. He concluded that the desirability of separating track and train was a policy question, but a fully disaggregated system was not an EU requirement.¹⁸⁴

177 Written evidence from Railway Industry Association ([TRA0005](#))

178 [Q 14](#) (Damian Testa)

179 [Q 6](#) (Dr Matthew Niblett)

180 Written evidence from Rail Delivery Group ([TRA0007](#))

181 [Q 16](#) (John Thomas)

182 [Q 7](#) (Andrew Meaney)

183 Written evidence from Oxera Consulting ([TRA0018](#))

184 [Q 12](#) (Chris Jackson)

The Government's position

156. The Secretary of State was unequivocal on future UK participation in the ERA: “I do not expect or want us to remain part of the European rail regulatory body. I see no need at all.” He could not see “why we would want to be part of something that sets standards internationally”. Instead he believed that “we can follow the standards we choose to follow, but we can set our own standards for our own network”.¹⁸⁵
157. When asked for an example, Mr Grayling told us: “the European rail agency wants us to amend the platform heights on HS2. Doing so would mean we could not provide level access for disabled people to the trains.” He saw no reason why the UK “should ... build platforms to the same height as the rest of the European Union after we have left”.¹⁸⁶
158. In our evidence session with the Minister of State, Mr Jones said that the ERA had only recently taken the role of “giving safety certifications, whether that is licences for train drivers or certifications for whole rail vehicles or individual components of those vehicles”, and that this role would revert to the UK. He conceded, however, that UK-certified products destined for the EU would then need “certification from an EU authority as well”.¹⁸⁷
159. On standards, the Government stated that the option of regulatory divergence should only be exercised “where it is clearly in the UK’s interests”, and that this would be “subject to consultation”.¹⁸⁸ When pressed on the implications of divergence for manufacturers, Mr Grayling said: “If you are a successful business in the UK, selling in three or four continents, you are almost certainly going to have to produce products with different specifications to meet the needs of those continents.” He argued that exporters “manage to do business perfectly well, meeting a whole variety of standards in different places”.¹⁸⁹
160. In our follow-up evidence session, Mr Jones added: “Clearly, for rolling stock, standards for electronics, and that kind of thing it is going to make sense for everyone to build to common standards.” Although there was “no anticipation that we are suddenly going to diverge”, the UK would have “the potential freedom [to do so]”.¹⁹⁰
161. **Through its membership of the European Union Agency for Railways (ERA), the UK has been active in the development of a range of common standards for European rail networks. The Government has ruled out participation in the ERA after Brexit. Consequently, the UK will not enjoy the same level of influence on European rail standards and cooperation but will have greater freedom on domestic standards.**
162. **The Government should clarify if it intends to seek arrangements for the mutual recognition of rail certifications and licences with the EU post-Brexit.**

185 [Q 61](#) (Chris Grayling MP)

186 *Ibid.*

187 [Q 81](#) (Martin Jones)

188 Written evidence from the Department for Transport ([TRA0012](#))

189 [Q 61](#) (Chris Grayling MP)

190 [Q 77](#) (Martin Jones)

163. **Interoperability and harmonised standards have many benefits for cross-border services. There are, however, circumstances where divergence from EU standards would better suit local conditions on domestic routes. Such divergence should be approached with caution and on the basis of objective criteria. We call on the Government to work with the industry to bring forward more details on how this could be managed.**
164. **Future divergence on standards must also be considered in the context of the wider rail industry. Rail manufacturers benefit from the economies of scale and export opportunities associated with standardised products. We agree with the weight of evidence that large-scale divergence would decrease the UK's attractiveness as a base for overseas manufacturers.**
165. **The separation of rail infrastructure and operations is a requirement under UK legislation (applied in Great Britain) and predates related EU legislation. We recognise that EU law has moved towards the GB model, but that it does not require complete separation. Indeed, some Member States have more closely connected infrastructure and operating services, which are compliant with EU law. We therefore conclude that membership of the EU has not substantially constrained GB's ability to move away from complete separation.**

Channel Tunnel services

166. We did not seek specific evidence on the impact of future customs and immigration arrangements on rail terminals. Nonetheless, this was a key concern for Channel Tunnel services. Getlink stressed that it was “crucial that the outcome of any agreement maintains the fast and frictionless movement of goods and people at the border that has contributed to the growth of trade through the Channel Tunnel”.¹⁹¹
167. On customs, Getlink explained that there were sites either side of the Tunnel “for safety and security inspections”, but that “neither site was intended as customs clearance points”. They therefore had “space and capacity constraints”. Getlink cited warnings that the conversion of the UK site (Dollands Moor) for customs use would lead to “congestion and delays which would disrupt trading, business supply chains, and in particular just-in-time delivery”.¹⁹²
168. **The Channel Tunnel plays a key role in UK-EU trade of goods and facilitates leisure and business travel for many millions of people each year. The Government has made clear its intention to secure a bilateral agreement with France to ensure the continued operation of Channel Tunnel services. We also recognise that the future of these services will be significantly affected by matters outside the Department for Transport's remit, namely customs and immigration arrangements.**

¹⁹¹ Written evidence from Getlink ([TRA0022](#))

¹⁹² *Ibid.*

Skills

169. RDG highlighted that 20% of the UK rail industry’s workforce were non-UK EU nationals.¹⁹³ Mr Testa added: “if you draw a line at Derby, south of that line almost half of the rail supply industry workforce is from the wider EU”.¹⁹⁴ RDG called on the Government to work with industry to ensure “access to a sufficient number of skilled workers either trained domestically or from the EU”.¹⁹⁵ Mr Testa said that RIA were “working very closely with the National Skills Academy for Rail, which is generating new apprenticeship courses to fill that gap”.¹⁹⁶
170. **We recognise the sizeable contribution made by EU workers to the UK’s rail industry, and note that concerns about future access to EU talent span many industries. We welcome initiatives to improve domestic training opportunities in the rail sector, which will be one part of maintaining the supply of skills post-Brexit.**

193 Written evidence from Rail Delivery Group ([TRA0007](#))

194 [Q 10](#) (Damian Testa)

195 Written evidence from Rail Delivery Group ([TRA0007](#))

196 [Q 10](#) (Damian Testa)

CHAPTER 7: MARITIME TRANSPORT

171. The UK is reliant on maritime transport to facilitate its trading activity. Over 90% of UK trade by volume is carried at sea.¹⁹⁷ At 12.5%, UK ports handle the second highest share of seaborne freight in the EU.¹⁹⁸ In addition, over 20 million passengers travel on sea routes to and from the UK each year.¹⁹⁹ Both freight and passengers are handled by two distinct yet connected constituents of the maritime sector: shipping and ports.
172. Shipping can be broadly thought of in terms of short-sea routes, such as those connecting EU ports, and the deep-sea routes that cross oceans. Different services operate within those routes, varying in cargo and vessel types:
- Cruise and passenger ferries;
 - Container ships, designed to transport a large number of containers;²⁰⁰
 - Tankers, carrying liquid cargo in bulk;²⁰¹
 - Bulk carriers or bulkers, transporting solid cargo in bulk;²⁰²
 - Roll-on/Roll-off (RoRo) vessels, carrying wheeled vehicles (for example lorries or trailers), which can be driven or towed onto a ship.²⁰³
173. The UK has one the largest port sectors in Europe, comprising international gateways such as Dover and Felixstowe, as well as many smaller ports serving regional and local interests.²⁰⁴ A large proportion of the international traffic going through the UK's largest ports is with the EU—in 2017, 55% of international cargo moved through UK major ports was to or from EU ports.²⁰⁵

197 Written evidence from Oxera Consulting ([TRA0018](#))

198 The Netherlands has reported the largest volumes of seaborne freight handling in Europe every year since overtaking the UK in 2010. The volume of seaborne goods handled in Dutch ports represented 15.2% of the EU total in 2016. Eurostat, 'Maritime ports freight and passenger statistics': https://ec.europa.eu/eurostat/statistics-explained/index.php/Maritime_ports_freight_and_passenger_statistics#Most_EU_maritime_freight_transport_is_with_extra-EU_partners [accessed 7 May 2019]

199 Department for Transport, *Sea Passenger Statistics: Final 2016* (22 November 2017): https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661355/final-sea-passenger-statistics-2016.pdf [accessed 4 December 2018]. International passengers include those on short sea (ferry) routes and passengers travelling for pleasure on cruises and long sea journeys.

200 Wärtsilä, 'Wärtsilä Encyclopaedia of Marine Technology: Container Ships': <https://www.wartsila.com/encyclopedia/term/container-ships> [accessed 4 December 2018]

201 Wärtsilä, 'Wärtsilä Encyclopaedia of Marine Technology: Tankers': <https://www.wartsila.com/encyclopedia/term/tankers> [accessed 4 December 2018]

202 International Maritime Organisation, 'Safety regulations for different types of ships': <http://www.imo.org/en/OurWork/Safety/Regulations/Pages/Default.aspx> [accessed 4 December 2018]

203 Eurostat, 'Glossary: Roll-on-roll off': https://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Roll_on_-_roll_off [accessed 4 December 2018]

204 Department for Transport, *Ports Good Governance Guidance: Moving Britain Ahead* (March 2018), p 6: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684839/ports-good-governance-guidance.pdf [accessed 18 December 2018]

205 Department for Transport, *UK Port Freight Statistics: 2017* (22 August 2018), p 20: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/739789/port-freight-statistics-2017.pdf [accessed 18 December 2018]. UK major ports are defined as those with cargo volumes of at least 1 million tonnes, plus some strategically important ports.

174. In contrast to the largely publicly-run port sector in the rest of Europe, UK ports exhibit three main models of ownership, all operating on a commercial basis:
- Private ports, owned by large international groups or private companies. They include 15 of the largest 20 UK ports by tonnage and around two-thirds of the UK's port traffic;²⁰⁶
 - Trust ports, controlled by a self-governing independent statutory body;
 - Local authority owned ports.²⁰⁷
175. Under international law, ships travelling internationally must be registered in a country and fly its flag. The country of registration is responsible for ensuring the ship's regulatory compliance, for example by inspecting it regularly and certifying its crew. These functions are typically carried out by a ship registry, which can be 'national'—only admitting residents in the country—or 'open'.²⁰⁸ The UK Ship Register (UKSR), which is part of the Maritime and Coastguard Agency (MCA), is currently open to UK and EEA persons and businesses. All vessels registered with the UKSR fly the UK flag. The UK flag enjoys a strong reputation, scoring positively by all international performance indicators.²⁰⁹
176. The UK's shipping and ports sectors are supported by a sizeable marine industry, which includes vessel and equipment design, manufacturing and repair. The UK is also recognised internationally as an excellence centre for maritime law. Most shipping contracts are governed by English law and subject to London arbitration. Within the EU, this is facilitated by the Brussels I regulation (recast),²¹⁰ which provides for the recognition of judgments issued by EU courts on civil and commercial matters throughout the Union.²¹¹

The international regulatory framework

177. Professor Emily Reid, Professor of International Economic Law and Sustainable Development, University of Southampton, set out the regulatory system governing the UK's maritime sector. She began by explaining that international law was the "overarching framework". Many of the customs and practices of international law had been "incorporated in international conventions, such as the United Nations Convention on the Law of the Sea (UNCLOS), and the treaties and agreements of the International Maritime

206 UK Trade & Investment, *The UK Ports Sector: A Showcase of World Class Expertise* (May 2013), p 10: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/295039/The_UK_ports_sector- A_showcase_of_world_class_expertise.pdf [accessed 18 December 2018]

207 Maritime UK, 'Ports': <https://www.maritimeuk.org/about/our-sector/ports/> [accessed 18 December 2018]

208 UKSR Advisory Panel, *UKSR Advisory Panel Report: Review of the UK Ship Register and recommendations for future improvements* (16 July 2015), p 4: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/445406/UKSR_Advisory_Panel_Final_Report_1st_June_2015.pdf [accessed 18 December 2018]

209 International Chamber of Shipping, *Shipping Industry Flag State Performance Table: 2017/2018* (February 2018): <http://www.ics-shipping.org/docs/default-source/resources/policy-tools/ics-shipping-industry-flag-state-performance-table-2017-18.pdf?sfvrsn=8> [accessed 18 December 2018]

210 Council Regulation (EC) No 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, *OJ L 12* (16 January 2001)

211 *Q 24* (Dr Jenny Jingbo Zhang)

Organization (IMO)". Prof Reid told us that although international law was binding, "it frequently does not have great enforcement potential".²¹²

178. According to Prof Reid, the EU had "taken a significant volume of the IMO conventions and incorporated them into EU law". In so doing, it had given those regulations "teeth and a binding force that [they] would not otherwise have". She explained that "those regulations can be enforced directly by individuals, including private parties, in national courts". On top of this, Prof Reid noted that the EU tended to 'gold-plate', or strengthen, IMO standards, "particularly IMO environmental standards and standards relating to pollution from ships".²¹³
179. Prof Reid gave further detail on the EU's role in legislating on market access: "Cabotage is transport between ports within one state and is currently liberalised for EU members. Traditionally, it has been retained for ships of the state where the ports are located. Under EU liberalisation, cabotage has been opened up for EU members."²¹⁴ We explore maritime cabotage arrangements in Box 7.

Box 7: Maritime cabotage in the EU

In EU and other EEA countries, maritime cabotage is governed by Regulation (EEC) No 3577/92, which grants cabotage rights to maritime transport operators qualifying as 'Community Shipowners'. Under Article 2(2) of the Regulation, these include:

- nationals of a Member State pursuing shipping activities;
- shipping companies established under the law of a Member State and whose principal place of business is in a Member State;
- nationals of a Member State established outside the Community or shipping companies established outside the Community and controlled by nationals of a Member State, provided that their ships are registered in and fly the flag of a Member State.

Third countries can only perform cabotage where the national legislation of EU Member States extends that right to third country interests. At present, this is possible in Denmark, Ireland, Belgium, The Netherlands and the UK.

Sources: Council Regulation (EEC) No 3577/92 of 7 December 1992 applying the principle of freedom to provide services to maritime transport within Member States (maritime cabotage), *OJ L 364* (12 December 1992); European Commission, Notice to stakeholders: Withdrawal of the United Kingdom and EU rules in the field of maritime transport (27 February 2018), p 2: https://ec.europa.eu/info/sites/info/files/file_import/maritime_transport_en.pdf [accessed 23 November 2018]

Future UK-EU arrangements

180. The Government's White Paper stated: "The maritime sector is liberalised at a global level. On that basis, UK ship operators will be able to serve EU ports largely as now, following the UK's withdrawal from the EU."²¹⁵

212 [Q 21](#) (Prof Emily Reid)

213 [Q 23](#) (Prof Emily Reid)

214 [Q 25](#) (Prof Emily Reid)

215 HM Government, *The future relationship between the United Kingdom and the European Union*, Cm 9593, July 2018, p 43: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf [accessed 18 December 2018]

181. The UK Chamber of Shipping nevertheless argued that, while the fully liberalised shipping markets of the EU are underpinned by the OECD Common Principles of Shipping,²¹⁶ “a comprehensive maritime services deal will be important”.²¹⁷ Drewry, a maritime consultancy, on the other hand, made a distinction between the implications of Brexit for “deep sea container trades”, which would be “limited”, and the “short sea trades, where demand is driven by intra Europe/UK trade”.²¹⁸

Cabotage

182. A number of witnesses discussed arrangements for continued cabotage rights, which were described in the Commission’s negotiating slides as an exception to the “already open” maritime sector.²¹⁹ Gavin Simmonds, Policy Director—Commercial, UK Chamber of Shipping, noted that the UK had a “very broad shipping market ... and if there is one where we are not particularly active, it is coastal shipping and cabotage trades”. Nonetheless, he felt that the loss of cabotage freedoms would “threaten commercially a number of contracts for UK shipping companies engaged in the sort of trades where there are multiple port calls in EU countries, with ships dropping off little bits of cargo along the route”.²²⁰
183. The UK Chamber of Shipping contrasted the UK’s approach to third country cabotage rights with those of other Member States: “The UK has become one of the most liberalised maritime service countries in the bloc, several other EU states maintain loose cabotage rules [for third countries]”. In addition, the Chamber noted that “UK traders sometimes require the availability of EU flagged ships to undertake the carriage of goods around the UK”.²²¹ Even in the absence of an arrangement with the EU on cabotage for UK vessels, Mr Simmonds did not expect the UK to introduce reciprocal restrictions: “It is difficult to see the benefit of [the UK] reverting to a closed market approach in shipping when for several hundred years we have had the most open market.”²²²

The UK flag

184. Mr Simmonds drew attention to the post-Brexit status of the UK flag by observing that “a number of UK-flagged vessels” are “in foreign ownership and on the UK register, on the basis of the UK being an EU flag”. He explained that this was because EU-flagged ships were eligible for beneficial tax arrangements, “approved by the European Commission under its State aid guidelines, known in the UK and elsewhere as the tonnage tax regime”. The cessation of UK qualification as an EU flag was a “principal concern”, and would “require several major companies to evaluate the prospect of moving ships from the UK flag”. This, he argued, would “affect the tonnage

216 Organisation for Economic Cooperation and Development, *Understanding on Common Shipping Principles* (9 June 2013): https://legalinstruments.oecd.org/public/doc/165/165_en.pdf [accessed 18 December 2018]. The principles, set out in a non-binding understanding, include free and non-discriminatory access to seaborne trade and ports, the promotion of free and fair competition and the convergence of competition rules.

217 Written evidence from the UK Chamber of Shipping ([TRA0015](#))

218 Written evidence from Drewry ([TRA0024](#))

219 European Commission, *Internal preparatory discussions on framework for future relationship: Road, rail and maritime transport* (20 February 2018), p 21: https://ec.europa.eu/commission/sites/beta-political/files/transport-future-relationship_21february2018_en.pdf [accessed 18 December 2018]

220 [Q 32](#) (Gavin Simmonds)

221 Written evidence from the UK Chamber of Shipping ([TRA0015](#))

222 [Q 32](#) (Gavin Simmonds)

on the UK ship register, the reputation of the UK flag and the attractiveness of the UK as a whole to accommodate ... businesses".²²³ Ross Wombwell of British Marine highlighted that there were "60,000 UK-flagged recreational craft in Europe".²²⁴

185. Mr Simmonds concluded that the UK flag needed to be "recognised in some sort of mutual way" with the EU, but questioned whether this would be a negotiating priority.²²⁵ Doctor Jenny Jingbo Zhang, Lecturer in Commercial and Maritime Law, University of Southampton, suggested that an alternative could be for the UK to "open up internationally and welcome all qualifying owners from around the world", though this would depend on "national priorities and the economic benefits".²²⁶

Mutual recognition of seafarer certificates

186. Dr Jingbo Zhang highlighted that post-Brexit arrangements would be required for the continued mutual recognition of seafarer certificates of competency after Brexit.²²⁷ Ian Hampton, Chief People and Communications Officer, Stena Line, emphasised that the UK was "a large maritime nation", and had "by far the largest number of seafarers in the EU community, upwards of 30,000".²²⁸
187. We note that the Government's 'no deal' technical notice in relation to recognition of seafarer certificates of competency explained that the UK would seek third country recognition of UK certificates by the EU under the Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Convention.²²⁹

The Government's position

188. Echoing the White Paper, the Government said that market access would remain "largely" unchanged for UK ship operators. It did not, however, address cabotage rights or prospects for the UK Ship Register. In relation to seafarers, the Government noted: "UK seafarers are amongst the best trained in the world ... it is therefore in nobody's interests to add barriers to recognition of seafarer certificates after exit."²³⁰
189. **Maritime transport is generally liberalised and underpinned by an extensive body of international law. Post-Brexit, UK and EU ship operators will in most respects be able to access each other's ports as at present. Cabotage rights, however, are provided under EU law. Unlike the UK, some EU countries do not permit third country cabotage. Loss of cabotage rights would have negative implications for some UK operators.**

223 [Q 33](#) (Gavin Simmonds)

224 [Q 34](#) (Ross Wombwell)

225 [Q 33](#) (Gavin Simmonds)

226 [Q 26](#) (Dr Jenny Jingbo Zhang)

227 [Q 22](#) (Dr Jenny Jingbo Zhang)

228 [Q 36](#) (Ian Hampton)

229 Department for Transport, 'Recognition of seafarer certificates of competency if there's no Brexit deal' (13 September 2018): <https://www.gov.uk/government/publications/recognition-of-seafarer-certificates-of-competency-if-theres-no-brexit-deal/recognition-of-seafarer-certificates-of-competency-if-theres-no-brexit-deal> [accessed 23 November 2018]. The STCW convention establishes international standards of training, certification and watchkeeping for seafarers. SCTW was adopted by the International Maritime Organization (IMO) in 1978.

230 Written evidence from the Department for Transport ([TRA0012](#))

190. **We consider that any future UK-EU maritime agreement must provide for mutual recognition of seafarer certificates.**
191. **The UK flag has attracted a number of registrations from EU and EEA interests, as allowed under EU law. This has supported the growth of the UK Ship Register (UKSR) and strengthened its international reputation. Post-Brexit, the UK will be able to review registration rules and determine if the UKSR should become a national registry, remain open to EU and EEA interests, or open up internationally.**

The European Maritime Safety Agency

192. The European Maritime Safety Agency (EMSA) has two broad functions. First, it assists the Commission in developing legislation around safety, security and environmental standards for shipping, and monitoring its implementation across Member States. Second, it runs a range of monitoring programmes in cooperation with national authorities, including the UK's MCA.
193. In its White Paper, the Government proposed that the UK should “continue cooperating closely with both the EU and ... EMSA, including sharing information on safety and to counter pollution”.
194. Mr Simmonds told us that the UK Chamber of Shipping's members were “highly reliant on established [EMSA] programmes”.²³¹ Neil Glendinning, Council Member, British Ports Association, drew our attention to three EMSA programmes in particular:
- “The current co-operation with EMSA extends to SafeSeaNet and CleanSeaNet.²³² SafeSeaNet monitors vessel traffic and dangerous goods flying around European waters, and into and out of the UK. One aspect of SafeSeaNet is THETIS, the arrangement whereby the MCA and partner organisations in Europe co-operate and exchange information, particularly on defective vessels, banned vessels or high-risk cargoes.”²³³
195. Mr Glendinning concluded that the Government's approach “excludes membership of EMSA and participation in SafeSeaNet, CleanSeaNet and, very importantly, THETIS”. He argues that the replication of EMSA programmes by the MCA might “not necessarily be as inclusive, widespread or efficient as the current arrangements”.²³⁴ His comments were echoed by Mr Simmonds, who noted that EMSA's “reporting disciplines are integrated into company systems, and there appears to be a general benefit”.²³⁵
196. Prof Reid pursued this issue further: “Given the importance of the European Maritime Safety Agency, particularly in light of disasters such as the ‘Erika’,²³⁶

231 [Q 31](#) (Gavin Simmonds)

232 CleanSeaNet is a satellite-based system monitoring pollution at sea. It relies on the satellite infrastructure of the European Space Agency (ESA). See EMSA, ‘CleanSeaNet Service’: <http://www.emsa.europa.eu/csn-menu.html> [accessed 18 December 2018]

233 [Q 31](#) (Neil Glendinning)

234 *Ibid.*

235 [Q 31](#) (Gavin Simmonds)

236 The oil tanker *Erika* sank off the west coast of France on 12 December 1999, following a storm in the Bay of Biscay. It carried approximately 31,000 tonnes of heavy fuel oil, out of which around 11,200 tonnes were subsequently recovered. See The International Tanker Owners Pollution Federation Ltd., ‘ERIKA, West of France, 1999’: <https://www.itopf.org/in-action/case-studies/case-study/erika-west-of-france-1999/> [accessed 22 November 2018]

it would make sense for the UK to seek an agreement that allowed it member status.” She also highlighted conditions that restrict EMSA participation to third countries “that have adopted and are applying community law in the field of maritime safety, security, pollution and the response to pollution caused by ships”. It would not be desirable for the UK to be “be relegated to observer status”, which “would be the alternative”.²³⁷

The Government’s position

197. The Government confirmed that it would seek “continued collaboration with Member States through EMSA ... in the interests of tackling shared safety and environmental issues”.²³⁸ This objective is reflected in the Political Declaration, which sets as a negotiating objective the facilitation of “cooperation on maritime safety and security, including exchange of information between the European Maritime Safety Agency (EMSA) and the United Kingdom Maritime and Coastguard Agency (MCA), consistent with the United Kingdom’s status as a third country”.²³⁹
198. In our follow-up evidence session with the Minister of State, Mr Jones told us that “slightly different considerations apply to each [EMSA] database”. He said that the UK would continue to have access to THETIS, although “some technical fixes need to be made” so the UK could still interact with it. Mr Jones said that other databases would require replication to “allow us the necessary capabilities”.²⁴⁰
199. **EMSA programmes such as CleanSeaNet, SafeSeaNet and THETIS are important to the safety and security of maritime transport and to countering sea pollution caused by ships. Replicating the two former programmes will be less efficient than current arrangements. We welcome the Government’s aim of close cooperation with EMSA, including the exchange of information on maritime safety and security. We note, however, that no mention is made of cooperation on environmental matters. We encourage the Government to seek wide-ranging, deep cooperation arrangements with EMSA, including in the area of response to sea pollution.**

Regulatory alignment

200. Prof Reid described two potential approaches to divergence from EU maritime regulation after Brexit. The first one would be deregulation, but this carried the “obvious risk ... that we become less attractive”. The second option would be “looking at enhancing standards for all those engaged in the maritime sector”. Prof Reid described the latter as an opportunity for “leadership and a more independent stance within the IMO”.²⁴¹ Mr Wombwell concurred: “At the IMO, the UK is often led by EU interests, and Brexit will give us

237 [Q 25](#) (Prof Emily Reid)

238 Written evidence from the Department for Transport ([TRA0012](#))

239 Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom (22 November 2018), p. 26: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/758557/22_November_Draft_Political_Declaration_setting_out_the_framework_for_the_future_relationship_between_the_EU_and_the_UK_agreed_at_negotiators_level_and_agreed_in_principle_at_political_level_subject_to_endorsement_by_Leaders.pdf [accessed 18 December 2018]

240 [Q 83](#) (Martin Jones)

241 [Q 27](#) (Prof Emily Reid)

an opportunity to lead again, specifically in the superyacht sector, where we have always been a global leader.”²⁴²

201. Prof Reid recalled that after Brexit the UK would “still be bound by the IMO convention requirements”. There would be the option, however, where those requirements have been gold-plated by the EU, “to revert to IMO standards”.²⁴³ Mr Hampton argued: “There are pros and cons in choosing to diversify away from EU common standards. It may create some opportunity for the UK flag and other areas ... but sometimes moving away from a degree of commonality creates another challenge.”²⁴⁴

Opportunities for divergence: ports

202. Mr Glendinning expressed the view of a number of our witnesses that “one possible gain that may come out of Brexit relates to the EU Port Services Regulation ... That series of regulations was introduced by the EU and particularly aimed at the ports industry in the EU”. He described the regulations as “entirely superfluous to the ports industry in the United Kingdom”.²⁴⁵ We discuss the Port Services Regulation in Box 8.

Box 8: The Port Services Regulation

The Ports Services Regulation entered into force on 24 March 2017 and will become applicable on 24 March 2019. It is intended to make the EU ports sector more competitive, by setting requirements around a level playing field and the quality of services.

The Regulation contains specific provisions on port services and infrastructure charges. In particular, port authorities will have to set their infrastructure charges based on commercial strategies and investment plans. They will be able to apply differentiated charges—for example by category of users—as long as those follow transparent and non-discriminatory criteria.

The UK port industry has strongly opposed the Regulation. In April 2017, Frans Calje, PD Ports’ Chief Executive, was quoted as describing the Regulation as “ill conceived” and “barely thought through”. In its 2017 Annual Report, the British Ports Association stated: “The final Regulation was watered down somewhat but moving forward the BPA will be exploring the impacts and how it might be revoked after the UK leaves the EU.”

Sources: Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports, *OJ L 57/1* (3 March 2017); ‘Port Services Regulation is ill-conceived, says ports chief’, *Port Strategy* (10 April 2017): <https://www.portstrategy.com/news/101/administration/legal-and-insurance/port-services-regulation-is-ill-conceived,-says-ports-chief> [accessed 18 December 2018] and British Ports Association, *Annual Report 2017* (24 April 2018): https://www.britishports.org.uk/system/files/circulars/2017_bpa_annual_report.pdf [accessed 18 December 2018]

203. The establishment of free ports has been cited as a potential post-Brexit opportunity to boost the UK’s maritime sector.²⁴⁶ On 4 August 2017, for example, the External Affairs and Additional Legislation Committee of the Welsh Assembly recommended that “the Welsh Government is more proactive in its approach to the designation of Free Zones/Free Ports and

242 Q 36 (Ross Wombwell)

243 Q 23 (Prof Emily Reid)

244 Q 36 (Ian Hampton)

245 Q 34 (Neil Glendenning)

246 See for example ‘Are free ports the future?’, *BBC* (29 November 2018): <https://www.bbc.co.uk/news/business-46349717> [accessed 18 December 2018].

undertakes further work to determine whether or not a port, or ports in Wales, could benefit from Free Port designation”.²⁴⁷

204. There is no uniform definition of free ports. In general terms, a free port forms part of a country’s territory but is outside of its customs area. As a result, goods can be imported, manufactured and re-exported without becoming subject to customs duties or taxes.²⁴⁸ Mr Glendinning elaborated on the functioning of free ports in oral evidence: “The free port concept is to establish a bonded area, whereby value can be added to a product by construction or finishing.” He argued that, while having “some mileage”, the concept was “of limited use throughout the UK, where most of the ports are gateway ports that rely heavily on the effective throughput of trade”. Mr Glendinning said: “One or two possibly might; Teesport and Humber, for example, have large areas of estate with some established industrial processes, where there would definitely be some benefit.”²⁴⁹

Opportunities for divergence: shipping

205. Mr Simmonds told us: “We would like to be freed from some of the restrictions of EU recycling, which is a little administratively complicated and restrictive, and prevents us doing things outside the EU.”²⁵⁰ Dr Jingbo Zhang agreed that ship recycling legislation was an example where “divergence from the current EU regulations could provide some opportunities”.²⁵¹
206. Drewry pointed to the possibility of the UK setting its own tonnage tax regime—a specific taxation mechanism applied to shipping companies.²⁵² A similar point was made by Dr Jingbo Zhang: “At the moment, we charge tonnage tax under EU regulation, which has a certain limit, but after Brexit ... arguably the UK could have a flexible tonnage tax system. We could then encourage more ship registration.”²⁵³
207. When we highlighted the Government’s stated intention to launch a “British shipbuilding renaissance” after Brexit,²⁵⁴ Prof Reid warned: “There are WTO rules on subsidies, and what is and is not legitimate. Regardless of what we might agree with the EU, we would still be constrained by the WTO subsidy rules.”²⁵⁵ Mr Wombwell, however, thought that there was growth potential for construction activities in the superyacht sector: “We are a global leader in design in the superyacht sector, but not in construction at the moment, and there is an opportunity, should we move away from EU directives, to enable that side of the industry to thrive in the UK.”²⁵⁶

247 National Assembly for Wales External Affairs and Additional Legislation Committee, *Inquiry into the implications of Brexit for Welsh Ports* (August 2017), p 29: <http://www.assembly.wales/laid%20documents/cr-ld11158/cr-ld11158-e.pdf> [accessed 18 December 2018]

248 House of Commons Library, *The establishment of free ports in the UK*, Debate Pack, [CDP 2018–0211](#), 9 October 2018

249 [Q 35](#) (Neil Glendinning)

250 [Q 34](#) (Gavin Simmonds)

251 [Q 23](#) (Dr Jenny Jingbo Zhang)

252 Written evidence from Drewry ([TRA0024](#))

253 [Q 23](#) (Dr Jenny Jingbo Zhang)

254 HM Government, ‘Brexit Britain will have the world’s best maritime industry’ (11 September 2017): <https://www.gov.uk/government/news/brexit-britain-will-have-the-worlds-best-maritime-industry> [accessed on 18 December 2018]

255 [Q 25](#) (Prof Emily Reid). See also our report: European Union Committee, *Brexit: competition and State aid* (12th Report, Session 2017–19, HL Paper 67).

256 [Q 36](#) (Ross Wombwell)

208. Mr Simmonds voiced reservations: “Do we see a model whereby the UK could compete internationally for major shipbuilding in future? Probably not.” Nonetheless he recognised “opportunities for technology or high-end, UK-led expertise”.²⁵⁷

The Government’s position

209. The Government noted that, while it was “too soon to make specific predictions”, it would “consider the opportunities to adjust our regulatory regimes to better suit the UK’s requirements”. The Government also observed that the UK would “continue to be an active participant in any future review of IMO rules”.²⁵⁸
210. **Divergence from EU rules could benefit the UK maritime industry in certain areas. A prominent example is the EU Port Services Regulation, which is generally agreed to be unfit for the structure and requirements of UK ports. But more broadly, the UK’s opportunities for divergence on port regulations are likely to be limited by the depth of maritime cooperation arrangements sought with EU.**
211. **In seeking to support the UK’s maritime sector post-Brexit, the Government would remain bound by WTO anti-subsidy rules. Any deep and comprehensive trade agreement made with the EU would also contain State aid controls. Nonetheless, we encourage the Government to work with the devolved administrations to explore opportunities to promote growth in the sector, including the possibility of free ports.**

Customs matters

212. We did not seek specific evidence on the impact of future customs arrangements on the maritime sector. However, as with other modes, this was at the forefront of our witnesses’ minds. The European Sea Ports Organisation explained that ensuring the free flows of goods and passengers was particularly important to ports handling short sea RoRo traffic: “The Customs Union and Single Market allow ... roll-on/roll-off vehicle traffic to call at a port without prior reservation, avoiding any congestion ... and enabling businesses to rely upon just-in-time logistics.”²⁵⁹ Mr Hampton implored us to “bear in mind that a political decision could very much change trade flows”.
213. Captain Wyn Parry, Port Manager at Holyhead Port, told us about the challenges faced by Holyhead as an example of a gateway for ‘just-in-time’ freight, and the implications for the adjacent transport network:

“Holyhead port is built in the middle of Holyhead town, dividing the town into two halves. The A55 expressway brings traffic to Holyhead port from the north-west, stopping about half a mile from the port entrance. That half mile is a single carriageway road that leads to our check-in booths; any delay at the check-in booths impacts not only on the port itself but unsurprisingly on local traffic, which finds it difficult to manoeuvre from one side of the town to the other.”²⁶⁰

257 [Q 36](#) (Gavin Simmonds)

258 Written evidence from the Department for Transport ([TRA0012](#))

259 Written evidence from the European Sea Ports Organisation ([TRA0019](#))

260 [Q 30](#) (Wyn Parry)

He also pointed to the potential impact on ferry scheduling: “Delays for any customs checks required will probably affect ferry schedules, which are very important to us.”²⁶¹

261 *Ibid.*

CHAPTER 8: NORTHERN IRELAND–IRELAND ROAD AND RAIL TRANSPORT

214. Throughout our inquiry it was clear that the level of bilateral integration of services and close cooperation between Northern Ireland and Ireland would place unique demands on their post-Brexit transport arrangements.²⁶²
215. As explained in Chapter 6, Belfast and Dublin are connected by rail through the Enterprise service, which carries around 942,000 cross-border passengers each year.²⁶³ By road, it is estimated that 177,000 lorries, 208,000 light vans and 1.85 million cars cross the border each month.²⁶⁴ Cross-border mobility on the island is facilitated by the Common Travel Area (CTA), which allows British and Irish citizens to move freely between British and Irish territories.²⁶⁵ The CTA predates the UK’s and Ireland’s membership of the EU and is founded on domestic legislation and bilateral agreements.²⁶⁶
216. Our evidence on future transport arrangements on the island of Ireland primarily came from the Northern Ireland Transport Holding Company (trading jointly under the name Translink) and its CEO, Chris Conway. Translink jointly operates the Enterprise Belfast-Dublin rail service as well as approximately 18 cross-border coach and bus routes.²⁶⁷ As a result, this section largely focuses on public transport. General information on future arrangements for hauliers and private motorists can be found in Chapters 2 and 3. We also note that future transport arrangements on the island of Ireland will have implications for ports on trade routes to Great Britain, such as Holyhead and Liverpool.
217. Translink sketched out the markedly different conditions underpinning transport on the island of Ireland, compared to the broader UK-EU transport framework. These ranged from physical factors, such as the island’s low population density, to the social implications of “closely related communities on each side of the border” and “long-established free movement”. Translink concluded that for these reasons, “NI has particular circumstances which are largely unique in the UK and Europe”, and argued that post-Brexit transport solutions should be “considered according to the specific circumstances applying to this region”.²⁶⁸
218. Mr Conway gave the practical example of cabotage for passenger services, which he described as “a big issue ... in an Ireland context”.²⁶⁹ In contrast

262 The Protocol to the [Withdrawal Agreement](#) on Ireland/Northern Ireland includes a provision addressing “other areas of North-South cooperation” (Article 13). Under this provision, the United Kingdom and Ireland “may” continue to make arrangements that build on the Belfast/Good Friday Agreement in (among other matters) the area of transport. See also paragraphs 173 to 175 of our recent report *Brexit: the Withdrawal Agreement and Political Declaration* (24th Report, Session 2017–19, HL Paper 245).

263 Written evidence from Translink ([TRA0020](#))

264 Oral Evidence taken before the Northern Ireland Affairs Committee, 8 February 2017 (Session 2017–19), [Q 461](#) (Daniel Mulhall)

265 Article 5 of the Protocol on Ireland/Northern Ireland of the [Withdrawal Agreement](#) deals with the Common Travel Area and would allow the UK and Ireland to continue to “make arrangements between themselves relating to the free movement of persons between their territories”.

266 Home Office, ‘Common Travel Area (modernised guidance)’: <https://www.gov.uk/government/collections/common-travel-area-modernised-guidance> [accessed 19 December 2018]

267 Enterprise is jointly operated with Iarnród Éireann (IE) under a cross-border agreement. There are 18 scheduled Enterprise services per day. Written evidence from Translink ([TRA0020](#))

268 Written evidence from Translink ([TRA0020](#))

269 [Q 50](#) (Chris Conway)

to Mr Salmon’s evidence that cabotage “sometimes happens in a technical sense” on cross-channel passenger services,²⁷⁰ Mr Conway explained that cabotage occurred on 50% of Translink’s services. Translink added: “Many of the cross-border (and cabotage) services provided by Translink predate the UK’s accession to the EU and have historically operated as the only local service provision.”²⁷¹

219. Mr Conway also noted that Regular services (passengers being picked up and set down at predetermined stops on specified routes), of which Translink operates over 70 a day, were a cornerstone of cross-border travel. The prevalence of cabotage and Regular services on the island of Ireland meant that any future reliance on the Interbus Agreement (which does not currently provide for either type of service, as discussed in Chapter 3) would “not be operational”.²⁷²
220. The Government has previously pointed out that a parallel situation on cabotage rates exists for hauliers on the island of Ireland: “The overwhelming majority of UK cabotage abroad is done in Ireland and the nearest mainland European countries.”²⁷³ The Government has also described cabotage for hauliers on the island as “common”.²⁷⁴
221. In contrast to the modest benefits it noted for reciprocal GB-EU cabotage rights, RHA saw “a strong case for bilateral cabotage arrangements with Ireland given the higher than normal levels of integration of supply chains”.²⁷⁵

An integrated arrangement?

222. Translink welcomed the Government’s plan for “a new cross-border agreement” to maintain the cross-border rail service. Its key concern was that “punctuality, reliability and quality of service” were maintained, but it believed this “would be possible in any Brexit scenario”.²⁷⁶
223. The company went on to raise the possibility that such an agreement “may not cover just rail [but] other modes of transport as well (including coach and bus)”. Translink identified some potential economic advantages of this approach, arguing that the island of Ireland had benefited from “an integrated approach to public transport such that bus and coach services benefit from connectivity with rail and overheads can be controlled”. This had supported the provision of “public transport in rural areas between communities either side of the border where it would be uneconomic to operate similar services on a commercial basis”.²⁷⁷

270 Q 50 (Steven Salmon)

271 Written evidence from Translink (TRA0020)

272 Q 52 (Chris Conway)

273 Letter from Jesse Norman MP, Parliamentary Under Secretary of State, to Lord Boswell of Aynho, Chairman of the House of Lords European Union Committee (23 October 2017): http://europeanmemoranda.cabinetoffice.gov.uk/files/2017/10/Boswell_9668-17.pdf [accessed 19 December 2018]

274 Letter from Jesse Norman MP, Parliamentary Under Secretary of State, to Lord Boswell of Aynho, Chairman of the House of Lords European Union Committee (8 May 2018): [http://europeanmemoranda.cabinetoffice.gov.uk/files/2018/05/180508_-_Jesse_Norman_-_Lord_Boswell_-_9668-17_Amending_reg_No_1071-2009_and_1072-2009_and_9969-17_Amending_Directive_2006-1-EC_\(2\).pdf](http://europeanmemoranda.cabinetoffice.gov.uk/files/2018/05/180508_-_Jesse_Norman_-_Lord_Boswell_-_9668-17_Amending_reg_No_1071-2009_and_1072-2009_and_9969-17_Amending_Directive_2006-1-EC_(2).pdf) [accessed 19 December 2018]

275 Written evidence from the Road Haulage Association (TRA0011)

276 Written evidence from Translink (TRA0020)

277 *Ibid.*

224. In justifying a bespoke arrangement, Mr Conway returned to the point that there were “a lot of local issues about the border between Northern Ireland and Ireland, which were there a long time before accession to the EU”. He warned that “the sort of deal the EU and UK may want to do on cross-border transport ... may not want to get into the minutiae of detail involved in a cross-border deal between Northern Ireland and the Republic of Ireland”.²⁷⁸

The EU’s contingency measures

225. In Chapter 2 we discussed the EU’s contingency arrangements to maintain aspects of UK-EU road connectivity in a ‘no deal’ scenario. In recognition of the “particular importance” of cross-border coach and bus services for communities in the Irish border regions, these arrangements included the temporary continuation of cabotage for passenger services in those regions.²⁷⁹

The Government’s position

226. The Government made clear throughout its evidence its intention to pursue a bilateral agreement with Ireland to ensure the continuity of the Belfast-Dublin Enterprise rail service.

227. In relation to passenger transport by road, Mr Grayling referenced the UK’s accession to Interbus as a potential solution in a ‘no deal’ scenario. He felt that if “we end up in a deal arrangement it will not be an issue”, as “when it comes to buses in the island of Ireland, [he knew of] nothing being proposed by either side that would place limitations on that”.²⁸⁰ Mr Grayling was aware that citizens either side of the border relied on cross-border public transport to access essential services, and confirmed he had met his Irish counterpart: “Suffice to say that there is a desire to ensure that things flow smoothly.”²⁸¹

228. In our follow-up evidence session, Mr Rimmington said that the Government was “very aware” of the unique demands on Northern Ireland-Ireland transport, and highlighted that the “Irish voice ... was one of the stronger ones” in negotiations on the EU’s ‘no deal’ contingency measures.²⁸²

229. **The island of Ireland’s distinct social and economic ties place unique demands on its future transport arrangements. These conditions may not be best-served by broader negotiations on UK-EU transport arrangements. A solution may be found in an integrated bilateral approach to arrangements for passenger transport by rail and road.**

230. **We note that the EU’s ‘no deal’ contingency measures made a special allowance for passenger transport around the Irish border, albeit on a temporary basis.**

231. **In any case, the requirement for cabotage rights for passenger services on the island precludes any reliance on the Interbus Agreement or a future arrangement based thereon. It is therefore of vital importance**

278 [Q 51](#) (Chris Conway)

279 Regulation (EU) 2019/501 of the European Parliament and of the Council of 25 March 2019 on common rules ensuring basic road freight and road passenger connectivity with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union, [OJ L 85/39](#) (27 March 2019). Article 2(4) of the Regulation defines “border region of Ireland” as the counties of Ireland adjoining the land border between Ireland and Northern Ireland.

280 [Q 58](#) (Chris Grayling MP)

281 [Q 62](#) (Chris Grayling MP)

282 [Q 82](#) (Ben Rimmington)

that an agreement is reached to preserve Northern Ireland–Ireland bus services under any Brexit scenario. While there may be the will to achieve this on both sides, we warn against complacency and urge the Government to bring forward specific plans.

- 232. Notwithstanding the modest benefit to the UK of GB–EU cabotage for goods transport, we note that the UK has a strong interest in the maintenance of cabotage rights on the island of Ireland. We call on the Government to confirm how this disparity will influence its approach to negotiations on market access for hauliers.**

CHAPTER 9: CROSS-MODAL MATTERS

Government engagement and preparations

233. We questioned most of our witnesses about their experiences of DfT engagement on Brexit matters. Many witnesses described, in the words of Mr Thomas, “strong engagement” with DfT.²⁸³ Mr Buchanan said: “Its door has always been open and it has listened to what we have had to say.”²⁸⁴ These views were echoed by Mr Salmon: “The person I mostly deal with [in DfT] is beyond reproach in the sense of his willingness to talk through issues as they arise and explain what he can and cannot do.”²⁸⁵ In contrast, Mr Testa highlighted frustrations that “parts of the decisions that affect transport are cross-government”.²⁸⁶ Mr Salmon gave the example of the right to work for bus and coach drivers as a significant matter not within DfT’s purview.²⁸⁷
234. Mr Hampton discussed his interactions with the devolved administrations: “Of course, in some respects they follow the UK Government, but ... they have devolved responsibilities, so we are keen to keep a close relationship with them, as we have been looking to make further investment in Welsh ports.”²⁸⁸ Mr Simmonds spoke of “good relations and regular dialogue” with the devolved administrations, but shared the view that “they are following the UK Government ... not making their own dialogue”.²⁸⁹
235. When we asked Clive Mills, LLP Designated Member of Euro2Go, whether Government messaging was filtering down to small and medium-sized enterprises (SMEs), he expressed frustration that “nothing is being laid down in stone for us to move forward”. His impression, at a time when the UK’s exit from the EU was expected to take place on 29 March, was: “Come March, [the Government] are just hoping something happens, and that we muddle our way through it.”²⁹⁰

The Government’s position

236. While we did not ask the Government for specific details of their stakeholder engagement efforts, it confirmed that it was “working closely both with ... arms-length bodies, and the devolved administrations”, and that its ‘no deal’ technical notices would be supplemented “by a strong programme of engagement with transport stakeholders”.²⁹¹
237. **We commend DfT’s high level of engagement, as reported by industry stakeholder groups. However, we call on the Government to strengthen its communication with small and medium sized businesses in the sector. We also encourage DfT to improve the flow of information about relevant matters outside its remit to stakeholders in the transport sector.**

283 [Q 10](#) (John Thomas)

284 [Q 39](#) (Duncan Buchanan)

285 [Q 47](#) (Steven Salmon)

286 [Q 10](#) (Damian Testa)

287 [Q 47](#) (Steven Salmon)

288 [Q 29](#) (Ian Hampton)

289 [Q 29](#) (Gavin Simmonds)

290 [Q 39](#) (Clive Mills)

291 Written evidence from the Department for Transport ([TRA0012](#))

Passenger rights

238. The Consumer Council told us that the most frequent area of complaint arising from transport services related to “services that are delayed or cancelled”, and tended “to arise where passengers have not been given the required level of protection or redress”.²⁹² Mr Thomas observed that in the area of passenger rights the UK was “a bit of a trailblazer”.²⁹³ For example, RDG explained that “National Rail Conditions of Travel (NRCoT) and operator specific conditions are comprehensive and currently exceed the requirements of EU regulations”.²⁹⁴
239. The Consumer Council was categorical that any future UK-EU transport agreement must ensure that “UK passengers continue to have the same level of protection as their EU counterparts” post-Brexit. It added that its concern was not over passenger rights on “day one of Brexit”, but “whether UK passenger rights will keep pace with EU counterparts post Brexit”.²⁹⁵
240. RDG saw “some (limited) opportunities to simplify the [EU] regime”.²⁹⁶ Bus Users UK agreed that some aspects of the 2013 European Passenger Rights Regulation were “over-complicated and onerous”, particularly for domestic services. Specifically, they felt it was not practical “to impose the more extensive requirements intended to support and protect the rights of passengers, particularly those with disabilities, travelling long distances”, to “services carrying people for a few miles”. Bus Users UK saw an opportunity to simplify “some of the more convoluted aspects of this Regulation in due course”.²⁹⁷
241. In the view of RDG, the continuation of a harmonised regime for passenger rights was “potentially helpful for international services by establishing a coherent framework between markets”.²⁹⁸ Highlighting the importance of passenger trust and confidence, Eurostar told us they would “continue to respect the requirements of EU passenger rights regulations”.²⁹⁹

The Government’s position

242. The Government generally reiterated that Brexit presented opportunities for the UK to tailor legislation “in a way that works for our circumstances”, for all modes of transport.
243. For maritime services, it highlighted the practical restriction that “the majority of ferries leaving the UK are bound for the EU, and as such will remain subject to EU rules post exit”. The Government confirmed that no changes were envisaged “at present” to UK alignment with EU rules on maritime passenger rights.³⁰⁰
244. The Government also reflected the view of our witnesses that “the UK has comprehensive domestic protections” for rail passengers, protections that in many respects “go beyond the current EU minimum standards”. On

292 Written evidence from The Consumer Council ([TRA0014](#))

293 [Q 20](#) (John Thomas)

294 Written evidence from Rail Delivery Group ([TRA0007](#))

295 Written evidence from The Consumer Council ([TRA0014](#))

296 Written evidence from Rail Delivery Group ([TRA0007](#))

297 Written evidence from Bus Users UK ([TRA0009](#))

298 Written evidence from Rail Delivery Group ([TRA0007](#))

299 Written evidence from Eurostar International Ltd ([TRA0003](#))

300 Written evidence from the Department for Transport ([TRA0012](#))

bus and coach services, the Government emphasised its commitment to ensuring that “disabled people should be able to travel easily, confidently and at no additional cost”, and to reviewing “the efficacy of all passenger rights legislation” accordingly.³⁰¹

245. **The UK has robust arrangements for transport passenger rights that are independent of its membership of the EU, and in some cases exceed those provided by EU law. We conclude that Brexit may present opportunities to simplify some EU measures on passenger rights in a manner that would better suit UK conditions. This should not entail any reduction in the rights of UK passengers compared to EU passengers. We further note the advantages of congruence of passenger rights on international services.**

Infrastructure funding

246. The Connecting Europe Facility (CEF) is a key EU funding instrument for targeted infrastructure development. It supports the development of Trans-European Transport Networks (TEN-T), Trans-European Energy Networks (TEN-E) and digital services.³⁰² The TEN-T programme is intended to close gaps in the EU’s transport networks, remove bottlenecks and improve interoperability.³⁰³
247. The UK currently hosts one of the nine TEN-T Core Network ‘corridors’—the North Sea-Mediterranean (NSM) corridor. The NSM corridor stretches from Belfast to the Irish ports of Cork and Dublin, as well as from Glasgow and Edinburgh through to the French southern ports of Fos/Marseilles. It covers rail, road, airports, ports and rail-road terminals. It is possible for third countries to receive TEN-T funding where this “is indispensable to the achievement of the objectives of a given project of common interest”.³⁰⁴ Switzerland, Norway and Turkey currently host TEN-T routes.
248. On 27 March 2019, the EU published legislation to realign the corridor away from the UK, which is intended to take effect once relevant EU provisions “[cease] to apply to the United Kingdom”.³⁰⁵ The draft legislation did not provoke strong reactions among our witnesses. FTA said it would be “useful” for the UK to remain part of the NSM,³⁰⁶ whereas RDG thought that, while continued membership was not “operationally essential in the future”, participation would have some benefits, such as “the promotion of international rail freight”.³⁰⁷
249. Notably, Translink highlighted that EU funding for transport projects did not derive exclusively from the CEF. It gave the example of “a new £27 million

301 Written evidence from the Department for Transport ([TRA0012](#))

302 European Commission, ‘Connecting Europe Facility’: https://ec.europa.eu/transport/themes/infrastructure/ten-t-guidelines/project-funding/cef_en [accessed 18 December 2018]

303 European Commission, ‘About TEN-T’: https://ec.europa.eu/transport/themes/infrastructure/about-ten-t_en [accessed 18 December 2018]

304 Article 9(4), Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010, [OJ L 348/129](#) (20 December 2013)

305 Regulation of the European Parliament and of the Council of 25 March 2019 amending Regulation (EU) No 1316/2013 with regard to the withdrawal of the United Kingdom from the Union, [OJ L 85/16](#) (27 March 2019)

306 Written evidence from the Freight Transport Association ([TRA0017](#))

307 Written evidence from Rail Delivery Group ([TRA0007](#))

multi-modal transport hub in Derry/Londonderry”, which it described as “hugely significant” for the region, as well as “serving a wide rural and cross-border hinterland”. Translink told us: “The majority of funding for this scheme (€20 million) comes from the EU through the European Regional Development Fund.”³⁰⁸

250. We note that the Government has committed to underwriting the UK’s full allocation for structural and investment fund projects, such as funding secured through the European Regional Development Fund,³⁰⁹ until the end of 2020,³¹⁰ and that it is consulting on plans for a successor arrangement to EU funds—the UK Shared Prosperity Fund.³¹¹

The Government’s position

251. The Government told us the “UK is currently involved in 50 CEF-funded projects with a value of over €350 million”, but that there was “no commitment from the EU to fund specific projects from one programming period to the next”. It highlighted an imbalance between the UK’s receipt of 3% of the total CEF budget for transport, compared to the UK’s overall contribution of “13% to the budget” and concluded that the UK would “need to consider the merits of any continued involvement in the CEF programme” after Brexit.³¹²
252. Mr Grayling accepted that the EU “does not intend to continue to include the United Kingdom as part of [the NSM]” corridor, but felt that this would not “[make] a lot of difference to anything”.³¹³
253. **We received no evidence to suggest that arrangements to re-route the North Sea Mediterranean Ten-T corridor would have a significant impact on the UK. We further note that the UK has received a lower proportion of funding for CEF transport projects compared to its budget contributions.**
254. **EU support for UK transport infrastructure also arises from Structural and Investment funds. We acknowledge the Government’s commitment to underwriting the UK’s allocation for Structural and Investment funds until the end of 2020, and look forward to details of how the planned successor arrangement, the Shared Prosperity Fund, will be used to develop transport infrastructure.**

308 Written evidence from Translink (TRA0020)

309 European Structural and Investment Funds are financial mechanisms to support economic development across all EU countries. The European Regional Development Fund is one type of European Structural and Investment Fund.

310 HM Government, ‘Funding from EU programmes guaranteed until the end of 2020’ (24 July 2018): <https://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020> [accessed 18 December 2018]

311 In July 2018 James Brokenshire MP, Secretary of State for Housing, Communities and Local Government, made a Written Statement in the House of Commons setting out more details about the Fund. See HC Deb, 24 July 2018, [col 927WS](#)

312 Written evidence from the Department for Transport (TRA0012)

313 [Q 63](#) (Chris Grayling MP)

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

Road haulage

1. It is difficult to overstate the importance of future arrangements to preserve UK-EU market access for hauliers. The Political Declaration identifies “comparable market access” for freight road transport operators as a shared negotiating objective. We call on the Government to clarify the meaning of ‘comparable’ in this context. (Paragraph 41)
2. The continuation of the Community Licence system for UK hauliers would maintain the status quo. The published positions of the UK Government and the EU suggest that this is not a likely outcome. A UK-specific permit or licence system could provide a workable alternative. We consider that a system based on a limited number of permits should be avoided. (Paragraph 42)
3. Cabotage and cross-trade are types of international haulage operations performed by non-resident hauliers. Future cabotage and cross-trade arrangements will therefore have a bearing on the opportunities available to UK hauliers in the EU as well as on how EU hauliers can move goods to, from and within the UK. (Paragraph 43)
4. A significant proportion of international journeys by UK hauliers involve cabotage, cross-trade or both, but UK hauliers have a low share of total EU rates in terms of volumes transported and distance travelled. Cabotage by EU hauliers in the UK is more significant, but still relatively modest. Securing reciprocal cabotage rights may be politically difficult and we do not consider cabotage to be essential to the UK in a future UK-EU agreement on road haulage. We address the role of reciprocal cabotage on the island of Ireland in Chapter 8 of this report. (Paragraph 44)
5. While cross-trade performed by UK hauliers is also relatively low, witnesses told us that cross-trade rights have wider implications for certain sectors or operators. We call on the Government to provide more detailed information on the importance of cross-trade to the flow of goods in and out of the UK, including any significant sectoral implications. (Paragraph 45)
6. Where the UK and EU may have primary interests in different aspects of future cabotage and cross-trade arrangements, a trade-off between these interests in a future road haulage agreement could benefit both sides. We urge the Government to work closely with the road haulage industry to make clear its priorities for future cabotage and cross-trade arrangements with the EU. (Paragraph 46)
7. Negotiations on the EU’s ‘no deal’ measures for UK hauliers resulted in a limited, shared allocation for cabotage and cross-trade journeys. This might provide a model for future UK-EU arrangements—though such a system could be burdensome to enforce. (Paragraph 47)
8. There are a few areas where divergence from EU haulage standards would reduce the compliance burden for UK hauliers, particularly in relation to domestic-only operations. The Political Declaration suggests that the depth of market access under a future arrangement will be a function of the alignment between UK and EU rules in a number of policy areas, including social standards and conditions of employment. The limited benefits of

regulatory divergence are unlikely to outweigh the opportunities of greater market access. (Paragraph 55)

9. The ECMT system facilitates road haulage in Europe and surrounding regions. In the absence of an agreement on road haulage, ECMT permits would allow some UK-EU journeys, but permits are limited in number, do not allow cabotage and present some restrictions on transit. The limited number of available permits appears to be the most significant limitation. The first-round allocation of available permits to UK hauliers demonstrated that the supply is vastly outstripped by demand. (Paragraph 66)
10. Bilateral agreements between the UK and individual Member States would also facilitate haulage in the absence of a comprehensive agreement with the EU. A number of historical bilateral agreements could be reinstated without major legislative work, although some would be more difficult to revive. We support the Government's prioritisation of negotiations with the UK's nearest neighbours and major trading partners. We note that EU-level arrangements, such as a basic agreement or contingency measures, may place restrictions on bilateral agreements with Member States. (Paragraph 67)

Bus and coach transport

11. Bus and coach transport provides consumers with a low-cost option for international travel, and an agreement to maintain UK-EU services would have clear reciprocal benefits for both markets. We note the objective set out in the Political Declaration to seek comparable market access arrangements for passenger transport operators as well as road hauliers. (Paragraph 79)
12. As for road haulage, the Political Declaration suggests that regulatory alignment will be a prerequisite to a liberalised market access arrangement for passenger transport. There may be some areas where it would be beneficial for UK operators to diverge from EU rules, though the benefits of divergence are unlikely to outweigh those brought by the maintenance of market access. (Paragraph 80)
13. The UK's independent accession to the Interbus Agreement would assure cross-channel coach trips, whether or not there was a wider UK-EU agreement on bus and coach transport. The Interbus Agreement does not extend to Regular and Special Regular services. While this is a major limitation currently, steps are being taken to expand the Agreement to include these services. A further limitation is that the Interbus Agreement cannot be used to transit through the EU to reach non-contracting parties, such as Switzerland. (Paragraph 87)
14. We note that the Government has taken steps to ensure that the UK can accede to Interbus if the UK leaves the EU without a deal on 31 October 2019. (Paragraph 88)

Private motoring

15. The mutual recognition of driving licences and the establishment of the Green Card-free circulation area have brought substantial benefits to commercial drivers and private motorists. We encourage the Government to seek continuation of present arrangements as part of a future arrangement with the EU. (Paragraph 103)

16. The inconvenience and additional costs of International Driving Permits and Green Cards should not be underestimated. We find the present requirement for UK drivers to visit a Post Office to obtain an International Driving Permit unsatisfactory. We therefore urge the Government to improve accessibility, including the addition of an online option. (Paragraph 104)

Vehicle standards

17. The Secretary of State told us that the EU's influence in global standard-setting was waning, but other witnesses suggested that the EU was hugely influential. If the latter is and remains true, the UK will have a continuing interest in the EU's position on standards, which will be more difficult to influence after Brexit. Nevertheless, there may be opportunities, for example, in areas relating to newer technologies, for the UK to take a leading role in international standard-setting after Brexit. (Paragraph 111)
18. For vehicles to be registered, sold and enter into service, they must be type-approved by a recognised authority. Failure to reach a future arrangement on mutual recognition for type-approvals would mean that two separate approvals would be required for vehicles entering the UK and the EU. This would have cost implications for manufacturers. We support the Government's intention to seek mutual recognition of type-approvals as a mutually beneficial arrangement. We note, however, that there is no exact precedent for such a regime. (Paragraph 118)

Rail transport

19. While the UK's railway is largely domestic, the UK has strong interests in the wider EU rail industry. It must not be overlooked that UK and EU operators, manufacturers and drivers access each other's markets, to mutual benefit. (Paragraph 142)
20. The Government has rejected the option of a rail agreement with the EU. Cross-border services, namely the Dublin-Belfast Enterprise Line and services through the Channel Tunnel, will instead be addressed through bilateral agreements. This approach has been agreed with the Commission and is reiterated in the Political Declaration. We believe that securing the continuation of these services as they operate now is in the interest of all sides and we encourage the swift conclusion of such agreements once the UK becomes a third country. (Paragraph 143)
21. While we accept that maintaining existing services is the most urgent priority, a more far-reaching set of bilateral agreements would provide greater certainty for long-distance freight services and support the future expansion of UK international freight and passenger services. We note that the wording of the relevant text in the Political Declaration does not preclude additional bilateral agreements. (Paragraph 144)
22. While bilateral agreements would ensure the continued operation of international rail services, such agreements would not support the recognition of UK operator or train driving licences in the EU generally nor UK certified components placed on the market in the EU. The extent to which the UK's continuing obligations under the Convention concerning International Carriage by Rail (COTIF) could alleviate these effects, if at all, are unclear. The Government should provide clarity on this matter. (Paragraph 145)

23. Through its membership of the European Union Agency for Railways (ERA), the UK has been active in the development of a range of common standards for European rail networks. The Government has ruled out participation in the ERA after Brexit. Consequently, the UK will not enjoy the same level of influence on European rail standards and cooperation but will have greater freedom on domestic standards. (Paragraph 161)
24. The Government should clarify if it intends to seek arrangements for the mutual recognition of rail certifications and licences with the EU post-Brexit. (Paragraph 162)
25. Interoperability and harmonised standards have many benefits for cross-border services. There are, however, circumstances where divergence from EU standards would better suit local conditions on domestic routes. Such divergence should be approached with caution and on the basis of objective criteria. We call on the Government to work with the industry to bring forward more details on how this could be managed. (Paragraph 163)
26. Future divergence on standards must also be considered in the context of the wider rail industry. Rail manufacturers benefit from the economies of scale and export opportunities associated with standardised products. We agree with the weight of evidence that large-scale divergence would decrease the UK's attractiveness as a base for overseas manufacturers. (Paragraph 164)
27. The separation of rail infrastructure and operations is a requirement under UK legislation (applied in Great Britain) and predates related EU legislation. We recognise that EU law has moved towards the GB model, but that it does not require complete separation. Indeed, some Member States have more closely connected infrastructure and operating services, which are compliant with EU law. We therefore conclude that membership of the EU has not substantially constrained GB's ability to move away from complete separation. (Paragraph 165)
28. The Channel Tunnel plays a key role in UK-EU trade of goods and facilitates leisure and business travel for many millions of people each year. The Government has made clear its intention to secure a bilateral agreement with France to ensure the continued operation of Channel Tunnel services. We also recognise that the future of these services will be significantly affected by matters outside the Department for Transport's remit, namely customs and immigration arrangements. (Paragraph 168)
29. We recognise the sizeable contribution made by EU workers to the UK's rail industry, and note that concerns about future access to EU talent span many industries. We welcome initiatives to improve domestic training opportunities in the rail sector, which will be one part of maintaining the supply of skills post-Brexit. (Paragraph 170)

Maritime transport

30. Maritime transport is generally liberalised and underpinned by an extensive body of international law. Post-Brexit, UK and EU ship operators will in most respects be able to access each other's ports as at present. Cabotage rights, however, are provided under EU law. Unlike the UK, some EU countries do not permit third country cabotage. Loss of cabotage rights would have negative implications for some UK operators. (Paragraph 189)

31. We consider that any future UK-EU maritime agreement must provide for mutual recognition of seafarer certificates. (Paragraph 190)
32. The UK flag has attracted a number of registrations from EU and EEA interests, as allowed under EU law. This has supported the growth of the UK Ship Register (UKSR) and strengthened its international reputation. Post-Brexit, the UK will be able to review registration rules and determine if the UKSR should become a national registry, remain open to EU and EEA interests, or open up internationally. (Paragraph 191)
33. EMSA programmes such as CleanSeaNet, SafeSeaNet and THETIS are important to the safety and security of maritime transport and to countering sea pollution caused by ships. Replicating the two former programmes will be less efficient than current arrangements. We welcome the Government's aim of close cooperation with EMSA, including the exchange of information on maritime safety and security. We note, however, that no mention is made of cooperation on environmental matters. We encourage the Government to seek wide-ranging, deep cooperation arrangements with EMSA, including in the area of response to sea pollution. (Paragraph 199)
34. Divergence from EU rules could benefit the UK maritime industry in certain areas. A prominent example is the EU Port Services Regulation, which is generally agreed to be unfit for the structure and requirements of UK ports. But more broadly, the UK's opportunities for divergence on port regulations are likely to be limited by the depth of maritime cooperation arrangements sought with EU. (Paragraph 210)
35. In seeking to support the UK's maritime sector post-Brexit, the Government would remain bound by WTO anti-subsidy rules. Any deep and comprehensive trade agreement made with the EU would also contain State aid controls. Nonetheless, we encourage the Government to work with the devolved administrations to explore opportunities to promote growth in the sector, including the possibility of free ports. (Paragraph 211)

Northern Ireland–Ireland road and rail transport

36. The island of Ireland's distinct social and economic ties place unique demands on its future transport arrangements. These conditions may not be best-served by broader negotiations on UK-EU transport arrangements. A solution may be found in an integrated bilateral approach to arrangements for passenger transport by rail and road. (Paragraph 229)
37. We note that the EU's 'no deal' contingency measures made a special allowance for passenger transport around the Irish border, albeit on a temporary basis. (Paragraph 230)
38. In any case, the requirement for cabotage rights for passenger services on the island precludes any reliance on the Interbus Agreement or a future arrangement based thereon. It is therefore of vital importance that an agreement is reached to preserve Northern Ireland–Ireland bus services under any Brexit scenario. While there may be the will to achieve this on both sides, we warn against complacency and urge the Government to bring forward specific plans. (Paragraph 231)
39. Notwithstanding the modest benefit to the UK of GB–EU cabotage for goods transport, we note that the UK has a strong interest in the maintenance of cabotage rights on the island of Ireland. We call on the Government to

confirm how this disparity will influence its approach to negotiations on market access for hauliers. (Paragraph 232)

Cross-modal matters

40. We commend DfT's high level of engagement, as reported by industry stakeholder groups. However, we call on the Government to strengthen its communication with small and medium sized businesses in the sector. We also encourage DfT to improve the flow of information about relevant matters outside its remit to stakeholders in the transport sector. (Paragraph 237)
41. The UK has robust arrangements for transport passenger rights that are independent of its membership of the EU, and in some cases exceed those provided by EU law. We conclude that Brexit may present opportunities to simplify some EU measures on passenger rights in a manner that would better suit UK conditions. This should not entail any reduction in the rights of UK passengers compared to EU passengers. We further note the advantages of congruence of passenger rights on international services. (Paragraph 245)
42. We received no evidence to suggest that arrangements to re-route the North Sea Mediterranean Ten-T corridor would have a significant impact on the UK. We further note that the UK has received a lower proportion of funding for CEF transport projects compared to its budget contributions. (Paragraph 253)
43. EU support for UK transport infrastructure also arises from Structural and Investment funds. We acknowledge the Government's commitment to underwriting the UK's allocation for Structural and Investment funds until the end of 2020, and look forward to details of how the planned successor arrangement, the Shared Prosperity Fund, will be used to develop transport infrastructure. (Paragraph 254)

APPENDIX 1: LIST OF MEMBERS AND DECLARATIONS OF INTEREST

Members

Lord Aberdare
Baroness Donaghy
Lord German
Lord Lansley
Lord Liddle
Baroness McGregor-Smith
Baroness Noakes
Lord Rees of Ludlow
Lord Russell of Liverpool
Baroness Randerson
Lord Robathan
Lord Whitty (Chairman)
Lord Wigley

Declarations of interest

Lord Aberdare
No relevant interests

Baroness Donaghy
No relevant interests

Lord German
Shares in Royal Mail

Lord Lansley
Strategic Counsel, Low Europe

Lord Liddle
Interests as set out in the Register of Lords' Interests

Baroness McGregor-Smith
Shareholdings as set out in the Register of Lords' Interests

Baroness Noakes
Shareholdings as set out in the Register of Lords' Interests

Lord Rees of Ludlow
No relevant interests

Lord Russell of Liverpool
No relevant interests

Baroness Randerson
No relevant interests

Lord Robathan
No relevant interests

Lord Whitty (Chairman)
Chairman, Road Safety Foundation
Chairman, Eastern Alliance for Safe and Sustainable Transport

Lord Wigley
No relevant interests

The following Members of the European Union Select Committee attended the meeting at which the report was approved:

Baroness Armstrong of Hill Top
 Baroness Brown of Cambridge
 Lord Cromwell
 Lord Jay of Ewelme
 The Earl of Kinnoull
 The Earl of Lindsay
 Baroness Neville-Rolfe
 Baroness Noakes
 Lord Ricketts
 Baroness Suttie
 Baroness Verma

During the consideration of the report the following Members declared an interest:

Baroness Brown of Cambridge
Vice Chair of the Committee on Climate Change
Shareholdings as set out in the Register of Lords' Interests
 Lord Jay of Ewelme
Interests as set out in the Register of Lords' Interests
 The Earl of Lindsay
Chair of the United Kingdom Accreditation Service
 Baroness Neville-Rolfe
Non-Executive Director, Capita plc
Chair, Assured Food Standards Ltd
 Baroness Noakes
Shareholdings as set out in the Register of Lords' Interests

A full list of Members' interests can be found in the Register of Lords Interests:
<https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests/>

APPENDIX 2: LIST OF WITNESSES

Evidence is published online at <https://www.parliament.uk/future-uk-eu-transport-lords-inquiry/> for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with a ** gave both oral and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

- | | | |
|----|--|---------------------------------|
| * | Alan Braithwaite, Chairman, Chartered Institute of Logistics and Transport, Freight and Logistics Policy Group | <u>QQ 1–8</u> |
| ** | Andrew Meaney, Head of Transport Team, Oxera | |
| * | Dr Matthew Niblett, Director, Independent Transport Commission | |
| ** | Mr Damian Testa, Senior Policy Manager, Railway Industry Association | <u>QQ 9–20</u> |
| * | Mr Chris Jackson, Head of Transport Group, Burges Salmon | |
| ** | Mr John Thomas, Director of Policy, Rail Delivery Group | |
| * | Professor Emily Reid, Professor of International Economic Law and Sustainable Development, University of Southampton | <u>QQ 21–28</u> |
| * | Dr Jenny Jingbo Zhang, Lecturer in Commercial & Maritime Law, University of Southampton | |
| ** | Mr Gavin Simmonds, Policy Director, Commercial, UK Chamber of Shipping | <u>QQ 29–38</u> |
| * | Mr Ian Hampton, Chief People and Communications Officer, Stena Line | |
| * | Captain Wyn Parry, Port Manager, Holyhead Port Authority | |
| * | Mr Neil Glendinning, Council Member, British Ports Association | |
| * | Mr Ross Wombwell, Head of Technical Services, British Marine | |
| ** | Mr Duncan Buchanan, Policy Director, Road Haulage Association | <u>QQ 39–46</u> |
| * | Mr Clive Mills, LLP Designated Member, Euro2Go | |
| ** | Mr James Hookham, Deputy Chief Executive, Freight Transport Association | |

- * Mr Mike Hawes, Chief Executive Officer, Society of Motor Manufacturers and Traders
- ** Chris Conway, Group Chief Executive Officer, Translink [QQ 47–53](#)
- ** Steven Salmon, Director of Policy Development, Confederation of Passenger Transport
- ** Rt Hon Chris Grayling MP, Secretary of State for Transport [QQ 54–68](#)
- ** Martin Jones, Deputy Director, EU Division, Department for Transport
- ** Lucy Chadwick, Director-General, International, Security and Environment Group, Department for Transport
- ** Dr Jesse Norman MP, Minister of State for Transport [QQ 69–84](#)
- ** Martin Jones, Deputy Director, EU Division, Department for Transport
- ** Mr Ben Rimmington, Director, Road Safety, Standards and Services, Department for Transport

Alphabetical list of all witnesses

- Aricia Ltd [TRA0021](#)
- The Automobile Association [TRA0026](#)
- * Alan Braithwaite, Chairman, Chartered Institute of Logistics and Transport, Freight and Logistics Policy Group ([QQ 1–8](#))
- ** Mr Duncan Buchanan, Policy Director, Road Haulage Association ([QQ 39–46](#)) [TRA0011](#)
- Bus Users UK [TRA0009](#)
- ** Lucy Chadwick, Director-General, International, Security and Environment Group, Department for Transport ([QQ 54–68](#)) [TRA0012](#)
- The Community of European Railway and Infrastructure Companies [TRA0023](#)
- The Consumer Council [TRA0014](#)
- ** Chris Conway, Group Chief Executive Officer, Translink ([QQ 47–53](#)) [TRA0020](#)
- DPD [TRA0010](#)
- Drewry [TRA0024](#)
- European Sea Ports Organisation [TRA0019](#)
- Eurostar International Ltd [TRA0003](#)
- Getlink [TRA0022](#)

- * Mr Neil Glendinning, Council Member, British Ports Association ([QQ 29–38](#))
- ** Rt Hon Chris Grayling MP, Secretary of State for Transport ([QQ 54–68](#)) [TRA0012](#)
- * Mr Ian Hampton, Chief People and Communications Officer, Stena Line ([QQ 29–38](#))
- * Mr Mike Hawes, Chief Executive Officer, Society of Motor Manufacturers and Traders ([QQ 39–46](#))
- ** Mr James Hookham, Deputy Chief Executive, Freight Transport Association ([QQ 39–46](#)) [TRA0017](#)
- HS1 Ltd [TRA0016](#)
- * Mr Chris Jackson, Head of Transport Group, Burges Salmon ([QQ 9–20](#))
- ** Martin Jones, Deputy Director, EU Division, Department For Transport ([QQ 54–68](#)) & ([QQ 69–84](#)) [TRA0012](#)
- ** Andrew Meaney, Head of Transport Team, Oxera ([QQ 1–8](#)) [TRA0018](#)
- * Mr Clive Mills, LLP Designated Member, Euro2Go ([QQ 39–46](#))
- The National Union of Rail, Maritime and Transport Workers [TRA0025](#)
- * Dr Matthew Niblett, Director, Independent Transport Commission([QQ 1–8](#))
- ** Dr Jesse Norman MP, Minister of State for Transport ([QQ 69–84](#)) [TRA0012](#)
- * Captain Wyn Parry, Port Manager, Holyhead Port Authority ([QQ 29–38](#))
- RAC Limited [TRA0027](#)
- Rail Freight Group [TRA0004](#)
- * Professor Emily Reid, Professor of International Economic Law and Sustainable Development, University of Southampton ([QQ 21–28](#))
- ** Mr Ben Rimmington, Director, Road Safety, Standards and Services, Department for Transport ([QQ 69–84](#)) [TRA0012](#)
- ** Steven Salmon, Director of Policy Development, Confederation of Passenger Transport ([QQ 47–53](#)) [TRA0006](#)
- ** Mr Gavin Simmonds, Policy Director—Commercial, UK Chamber of Shipping ([QQ 29–38](#)) [TRA0015](#)
- ** Mr Damian Testa, Senior Policy Manager, Railway Industry Association ([QQ 9–20](#)) [TRA0005](#)
- ** Mr John Thomas, Director of Policy, Rail Delivery Group ([QQ 9–20](#)) [TRA0007](#)

UK Transport in Europe

TRA0008

Wincanton PLC

TRA0013

- * Mr Ross Wombwell, Head of Technical Services,
British Marine (QQ 29-38)
- * Dr Jenny Jingbo Zhang, Lecturer in Commercial &
Maritime Law, University of Southampton (QQ 21-28)

APPENDIX 3: CALL FOR EVIDENCE

Background

The House of Lords EU Internal Market Sub-Committee, chaired by Lord Whitty, has decided to launch an inquiry into the future UK-EU relationship in road, rail and maritime transport. The inquiry will explore the opportunities and challenges of leaving the EU in areas such as market access, standards and cooperation.

The Government set out a basic framework for the future UK-EU transport relationship in a paper published 7 June 2018, which emphasised the role played by cross-border transport networks in underpinning international trade as well as performing an essential social function.³¹⁴

The paper listed the Government's broad objectives for the four major modes of transport:

- Aviation: market access arrangements, safety and security regulation and air traffic management.
- Road: market access arrangements for commercial road transport operators (goods and passengers) and private motoring.
- Maritime: safety and security cooperation.
- Rail: bilateral agreements to ensure continuity of Channel Tunnel and Belfast Dublin services.

Some further details on these objectives were given in the *Future relationship between the United Kingdom and European Union* White Paper, published 12 July 2018.³¹⁵

The inquiry

The Internal Market Sub-Committee intends to contribute to public debate on the opportunities and challenges of the future UK-EU relationship in road, rail and maritime transport and to inform and influence the UK Government's consideration of these issues.

The Sub-Committee reported on the implications of Brexit for the aviation sector in its Brexit: trade in non-financial services report, published 22 March 2017³¹⁶ and again in a letter to the Government published 2 July 2018.³¹⁷ The Sub-Committee does not therefore intend to gather further evidence on aviation during this inquiry.

Public hearings will be held from September 2018 until November 2018. The Sub-Committee aims to publish its report, with recommendations, early in 2019.

314 HM Government, *Framework for the UK-EU Partnership: Transport*, June 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/714676/Framework_for_the_UK-EU_partnership_Transport.pdf [accessed 20 July 2018]

315 HM Government, *The future relationship between the United Kingdom and the European Union*, Cm 9593, July 2018: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/725288/The_future_relationship_between_the_United_Kingdom_and_the_European_Union.pdf [accessed 20 July 2018]

316 European Union Committee, *Brexit: trade in non-financial services* (18th Report, Session 2016–17, HL Paper 135)

317 Letter from Lord Whitty, Chairman of the House of Lords EU Internal Market Sub-Committee, to Lord Callanan, Minister of State for Exiting the European Union (3 July 2018): <https://www.parliament.uk/documents/lords-committees/eu-internal-market-subcommittee/brexit-%20trade%20in%20services/LordWhitty-LordCallanan-030718.pdf> [accessed 20 July 2018]

The report will receive a response from the Government and will be debated in the House.

The Sub-Committee seeks written evidence on the following questions from anyone with a relevant interest. You need not address all questions in your response; respondents from a particular area or sector are invited to focus on the questions most pertinent to them. Submissions are sought by Friday 14 September 2018.

Road

- Are there any EU road haulage rules from which it would be beneficial for the UK to diverge?
- Is a post-Brexit agreement on goods transport by road in the mutual interest of the EU and the UK? If so, what provisions would be necessary for such an arrangement to be effective?
- Is a post-Brexit agreement on passenger transport by road in the mutual interest of the EU and the UK? If so, what provisions would be necessary for such an arrangement to be effective?
- What opportunities and challenges does Brexit present for UK road transport standards, including vehicle type approval, licencing and the market growth of low-carbon and automated vehicles?
- If the UK and the EU fail to reach an agreement on the continuing use of the Community Licence for goods vehicles, what sort of arrangements present the next best option and what challenges would this present for the industry?

Rail

- Is there a positive case for UK divergence from EU rail legislation, including the four ‘railway packages’?
- What are the implications of the Government’s proposed approach of pursuing bilateral agreements with the Governments of France, Belgium and the Netherlands for services through the Channel Tunnel and with the Irish Government for the Belfast-Dublin Enterprise line?
- Is a post-Brexit agreement on rail transport in the mutual interest of the EU and the UK? If so, what provisions would be necessary for such an arrangement to be effective?
- What would be the implications of ‘no deal’ for the UK’s rail industry? Are there any existing international arrangements that could be utilised instead?

Maritime

- What opportunities and challenges does Brexit present for UK shipping?
- What opportunities and challenges would arise from divergence from EU rules on ports post-Brexit?
- Is a post-Brexit agreement on maritime transport in the mutual interest of the EU and the UK? If so, what provisions would be necessary for such an arrangement to be effective?
- What would be the implications of ‘no deal’ for UK-EU maritime transport? Are there any existing alternative arrangements that could be utilised?

Multi-modal

- Do any existing agreements between the EU and third countries provide a useful precedent for a future UK-EU transport relationship?
- Are there any EU transport infrastructure projects that it would be in the UK's interest to remain involved with? For example, TEN-T projects?
- What opportunities and challenges does Brexit present for passenger rights?
- How prepared are the Department for Transport and UK transport agencies and bodies for Brexit, including the potential implications of 'no deal'?

APPENDIX 4: GLOSSARY

AA	Automobile Association
Cabotage	Transport solely within a single country by a non-resident operator
CEF	Connecting Europe Facility
CER	Community of European Railway and Infrastructure Companies
CIT	International Transport Committee
COTIF	Convention concerning International Carriage by Rail
CPC	Certificate of Professional Competence
CPT	Confederation of Passenger Transport
Cross-trade	The transport of goods between two countries by a haulier resident in a different country
CTA	Common Travel Area
DfT	Department for Transport
ECMT	European Conference of Ministers of Transport
EMSA	European Maritime Safety Agency
ERA	European Union Agency for Railways or European Railways Agency
ERTMS	European Railway Traffic Management System
FOC	Freight Operating Company
FTA	Freight Transport Association
HGV	Heavy Goods Vehicle
IDP	International Driving Permit
IGC	Intergovernmental Commission (responsible for governing the Channel Tunnel on behalf of the UK and French governments)
IMO	International Maritime Organization
MCA	Maritime and Coastguard Agency
NAO	National Audit Office
NRCoT	National Rail Conditions of Travel
NSM	North Sea-Mediterranean
OECD	Organisation for Economic Cooperation and Development
ORR	Office of Rail and Road
OTIF	Intergovernmental Organisation for International Carriage by Rail
RDG	Rail Delivery Group
RHA	Road Haulage Association

RIA	Railway Industry Association
RoRo	Roll-on / Roll-off
SME	Small and Medium-Sized Enterprise
STCW	Standards of Training, Certification and Watchkeeping for Seafarers
TEN-E	Trans-European Energy Network
TEN-T	Trans-European Transport Network
TOC	Train Operating Company
TSI	Technical Specification for Interoperability
UKSR	UK Ship Register
UNCLOS	United Nations Convention on the Law of the Sea
UNECE	United Nations Economic Commission for Europe
VCA	Vehicle Certification Agency
WP.29	World Forum for Harmonization of Vehicle Regulations