

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Third Delegated Legislation Committee

DRAFT INTERNATIONAL ROAD TRANSPORT
PERMITS (EU EXIT) REGULATIONS 2018

DRAFT TRAILER REGISTRATION
REGULATIONS 2018

Tuesday 6 November 2018

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Saturday 10 November 2018

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The Committee consisted of the following Members:

Chair: DAVID HANSON

- | | |
|--|---|
| † Afolami, Bim (<i>Hitchin and Harpenden</i>) (Con) | Hepburn, Mr Stephen (<i>Jarrow</i>) (Lab) |
| Ali, Rushanara (<i>Bethnal Green and Bow</i>) (Lab) | † Leslie, Mr Chris (<i>Nottingham East</i>) (Lab/Co-op) |
| † Brown, Alan (<i>Kilmarnock and Loudoun</i>) (SNP) | † Maskell, Rachael (<i>York Central</i>) (Lab/Co-op) |
| † Bruce, Fiona (<i>Congleton</i>) (Con) | † Norman, Jesse (<i>Parliamentary Under-Secretary of State for Transport</i>) |
| † Burghart, Alex (<i>Brentwood and Ongar</i>) (Con) | Powell, Lucy (<i>Manchester Central</i>) (Lab/Co-op) |
| † Courts, Robert (<i>Witney</i>) (Con) | † Swire, Sir Hugo (<i>East Devon</i>) (Con) |
| † Docherty, Leo (<i>Aldershot</i>) (Con) | |
| † Donelan, Michelle (<i>Chippenham</i>) (Con) | Dominic Stockbridge, Bradley Albrow, <i>Committee Clerks</i> |
| † Foxcroft, Vicky (<i>Lewisham, Deptford</i>) (Lab) | |
| † Francois, Mr Mark (<i>Rayleigh and Wickford</i>) (Con) | |
| † George, Ruth (<i>High Peak</i>) (Lab) | † attended the Committee |

Third Delegated Legislation Committee

Tuesday 6 November 2018

[DAVID HANSON *in the Chair*]

Draft International Road Transport Permits (EU Exit) Regulations 2018

8.55 am

The Parliamentary Under-Secretary of State for Transport (Jesse Norman): I beg to move,

That the Committee has considered the draft International Road Transport Permits (EU Exit) Regulations 2018.

The Chair: With this it will be convenient to consider the draft Trailer Registration Regulations 2018.

Jesse Norman: It is a pleasure to serve under your chairmanship, Mr Hanson. These draft instruments were laid on 13 September and 9 October, following extensive industry engagement and consultation throughout the past year. The instruments collectively implement the proposals outlined during the passage of the Haulage Permits and Trailer Registration Act 2018, which I was pleased to guide through this place earlier in the year.

The road haulage sector plays an integral role in keeping our economy moving and in enabling businesses throughout the UK to trade with our international partners in the European Union and beyond. In 2017, the UK haulage sector moved more than 7.8 million tonnes of goods internationally. This is a crucial industry to the wider economy, and that has underlined the Government's focus on putting in place the necessary arrangements for after we leave the EU in March 2019. I hope Members will allow me the opportunity to share an overview of these instruments and how they work collectively for the sector.

The International Road Transport Permits (EU Exit) Regulations 2018 will establish the framework and systems for the effective administration of a permit system. From November 2018, this regime will cater for our existing permit arrangements with non-EU countries and European Conference of Ministers of Transport permits. From exit day, in the absence of a deal, the regime will cater for existing permit arrangements with EU member states, which are currently covered by EU law. The system will also be the basis for any future permitting arrangement that may arise from our negotiations with the EU.

As the Committee will know, in our negotiations with the EU we are seeking reciprocal arrangements on road haulage. The current arrangements work well for the haulage sector in the UK and for hauliers in continental Europe. This has underlined our intention to seek mutual recognition of international operating licences and access arrangements that do not restrict the current levels of trade.

Alan Brown (Kilmarnock and Loudoun) (SNP): Will the Minister confirm how extensive the talks have been on reciprocal arrangements and where they are at? Just last

week, we discovered that the Secretary of State has not begun discussions on aviation agreements. I hope that those on haulage are further ahead.

Jesse Norman: As the hon. Gentleman will know, we undertook a consultation before the draft regulations were introduced. Before framing the original legislation there was widespread discussion with industry bodies and other organisations relating both to haulage permits and to trailer registration. I am therefore comfortable that we have covered all of the bases as regards this area of road haulage.

Alan Brown: The key point is where these discussions regarding reciprocal arrangements are at with the EU, rather than discussions with the UK industry. I am asking about the EU.

Jesse Norman: I am grateful for the correction. As the hon. Gentleman will know, discussions with the EU are being handled through No. 10 and the Department for Exiting the European Union. We are not in a position to comment on the specific details of any of those discussions at the moment, beyond the facts that we are making progress and envisage a deal that will be thoroughly in the interests of the UK and which will permit haulage to flow in as liberal a way as we would like. As the Committee will know, we have made ample arrangements for different forms of contingency in the event that that should not be the case.

Members will be minded to agree that it is appropriate for the Government to prepare for all possible outcomes of our negotiations, including the prospect of no deal. As outlined in the technical notice on road haulage, in the event of no deal, hauliers will be able to use ECMT permits. In addition, we will seek to use existing bilateral agreements concluded prior to one or other of the parties joining the EU. There are 20 such agreements with EU countries—which the Government expect to be reinstated once EU law ceases to apply—some of which require permits and others that do not. Where necessary we will conclude new arrangements where there is no existing bilateral agreement. Clearly, existing agreements may need to be updated, but in any event we expect to have these arrangements, if required, in place to allow international road haulage to continue after exit day.

The draft regulations implement a permit scheme as it would operate on exit day if no new agreements are reached with the EU or member states. That will enable some continuity of road transport services in the event of no deal. Where new agreements are reached with the EU, or with individual member states that will require permits, amending regulations will be made to reflect the terms of such agreements.

The draft regulations place a prohibition on undertaking international journeys without a permit where an international agreement requires one. It is important to note that these draft regulations by no means require the implementation of a permit regime with the EU or for any other international journeys. Rather, should an international agreement require that a permit is held by the operator and carried on the vehicle in question, the draft regulations allow that permit to be issued. Journeys that do not require permits are not within the scope of the draft regulations.

The draft regulations provide for how to make an application and how the Secretary of State will determine which applicants are allocated a permit where the number of permits available is limited. They set out matters that the Secretary of State must take into account when making a determination, which are designed to deliver the greatest economic benefit from the permits, protect the interests of UK hauliers, and apply a fair and consistent allocation process. That focuses primarily on how frequently a permit will be used and the proportion of an operator's haulage that is international. The draft regulations provide some discretion in those criteria, so that there is sufficient flexibility to respond to changing demands and ensure that permits are allocated fairly, but they require the Secretary of State to provide guidance on the process to ensure that it is transparent for applicants. That guidance has been provided ahead of this debate. The circumstances in which a permit may be cancelled and the process for appealing the cancellation of a permit are also covered.

Alan Brown: When the 2018 Act was being debated we were assured that there were enough permits to go around and to meet current demand. Is that still the case? A scoring system has been outlined, and a limited number of permits suggests that not all applicants will be able to get a permit. What is that going to look like?

Jesse Norman: I think the hon. Gentleman may have misread or misheard the main debate, because there has always been a possibility that there would not be enough ECMT permits to go around. That is why there are elements for a fair allocation, even in that contingency. The point I have just made is that bilateral agreements also exist to provide further reassurance. As I have said, though, we do expect a liberalised deal to be in place before then.

Rachael Maskell (York Central) (Lab/Co-op): I certainly heard what the hon. Member for Kilmarnock and Loudoun heard during the debate. We were given assurances that there would be sufficient permits to go around, and I am sure that the record will confirm that. Why have the circumstances changed?

Jesse Norman: The hon. Lady will recall that there was an extensive debate on the question whether there should be any aspect of random allocation. The whole point about random allocation is that in circumstances in which there may not be enough ECMT permits to go around, further scope would be provided by bilateral agreements under this remote contingency. If that were to be the case, random selection would, of course, be applied to make sure that people were given a fair shot at getting permits, even if they had not necessarily pre-qualified through the prior application of the other criteria. That was covered in the debate.

The permit system will be operated by the Driver and Vehicle Standards Agency, building on the existing vehicle operator licensing system, with which operators will already be familiar. The system will launch on 26 November to take applications for the ECMT multilateral annual permits, with permits subsequently being issued well ahead of exit day. There will be an application window for these permits, and a fee of £10 will be applicable for each permit requested. Successful applicants will be required to pay a fee of £123 ahead of being issued the permit. Those fee levels mean that there is no change in the cost of obtaining an ECMT permit.

The Trailer Registration Regulations 2018 will establish a regime for the registration of trailers used internationally to support our ratification of the 1968 Vienna convention on road traffic. The ratification of the convention will allow us to issue international driving permits for all member states if a deal on mutual recognition of licences is not achieved. The convention will come into effect for the UK on 28 March 2019 and will apply irrespective of negotiations with the EU. Under the convention, trailers that weigh more than 750 kg are guaranteed access to foreign roads only if they are registered, so the registration of trailers is commonplace throughout much of continental Europe. This has been a source of disruption for UK trailers used on international routes.

The draft regulations will allow us to implement a registration regime for trailers that allows them to meet the standards outlined in the convention. Registration will be compulsory for trailers used for international journeys to or through a foreign country that has ratified the convention, if the trailer weighs more than 750 kg and is used for commercial purposes or weighs more than 3.5 tonnes and is used for any purpose. Use of unregistered trailers in those categories for journeys to continental Europe will be prohibited from 28 March.

The registration system will be operated by the Driver and Vehicle Licensing Agency and will let users register their trailers from January. This will allow approximately three months for trailer keepers to register before the prohibition on the use of unregistered trailers for international journeys comes into effect on 28 March. The fee for registration will be £26.

Hon. Members will be particularly interested in how the draft regulations will affect Northern Irish hauliers. The permits regulations will not require Northern Ireland hauliers to carry permits when on international journeys to or through Ireland. This is in keeping with the UK's position in the 2018 Act that we will not introduce permits on the island of Ireland without the consent of the Government of Ireland. On trailer registration, Ireland has not ratified the 1968 Vienna convention, so no UK trailers will need to be registered to be used in Ireland.

Approval of the draft regulations is an important step in ensuring that the UK haulage industry is ready to keep goods moving after we leave the EU in March 2019. The sector is incredibly important to the wider UK economy and we are focused on delivering the measures necessary for it to continue to operate after we leave the EU. Our package of instruments will take concrete steps to enable us to offer greater clarity to industry about the requirements that will apply to international haulage in future. With particular regard to the permits regulations, we are clear on the negotiation objectives and are making good progress towards an agreement that delivers for the sector, but it is crucial that we make progress with the instruments, which prepare the UK both for our desired outcome and for the unlikely prospect of no deal.

9.7 am

Rachael Maskell: It is a pleasure to serve under your chairmanship, Mr Hanson. I thank the Minister for introducing the draft regulations, following our debates during the passage of the Haulage Permits and Trailer Registration Act.

[*Rachael Maskell*]

I turn first to the draft International Road Transport Permits (EU Exit) Regulations 2018. We are legislating over the abyss of the unknown with respect to whether they will be required, but clearly my hope is that they will not be. I certainly hope that the Minister has been making strong representations for us to be part of the Community licence scheme, alongside EU and European economic area countries and other nations, working across frictionless borders with no cliff edges in sight. However, it seems increasingly clear that that may not be the case, so Labour will do everything we possibly can to make sure that we do not fall off the cliff edge on 29 March 2019.

The free flow of freight across borders is essential for trade and our economy, with 3.7 million tonnes exported and 4 million tonnes imported each year. We understand that if the worst-case scenario is triggered, the draft regulations will be necessary, so we will not stand in the way of their being passed. However, I urge the Minister to give us some assurance that he has been focused on ensuring that we remain in the Community licence scheme.

My first question asks for some clarity about regulation 3, “Application of these Regulations”. Will the Minister kindly say why, when the explanatory memorandum states that the draft regulations apply to the whole UK, regulation 3 segregates Northern Ireland from the agreement and states that there will be free flow throughout Ireland, north and south? Will he explain how that will prevent a border from being created across the Irish sea? My second question is about regulation 19. What criteria will be used to assess what will constitute a temporary exemption to the scheme, and under what circumstances?

We have had much debate on the number and allocation of permits and how industry needs to be able to plan in order to safeguard trade between the UK and the EU. Pan-EU manufacturing contracts are vital for the security of our economy and the future of jobs. Regulation 24 deals with the distribution of permits. Regulations should give clarity to framework legislation, but I have to say that these do not, so I ask again: who will get a permit and who will not? The industry wants to know the answer to that question, too. In the light of the Minister’s remarks, I am even less confident that there will be enough permits to go around.

Regulation 24(1) refers to Euro 5 and Euro 6 emissions, but what criteria will be used to assess those when deciding whether to grant a permit? Paragraph (1)(b) centres on whether hauliers—and, therefore, producers—will know what goods will find favour with the Minister, but it provides no clarity. A greater frequency of goods—the draft regulations do not say which ones—will be the determining factor as to whether an application will get support. How will that all be matched up with economic interest and that of jobs and our future?

I was taken aback by the Act’s ambiguity regarding random selection when it comes to supplying permits, and my response to regulation 24(2) is the same. That will have a massive impact on the choices that, for instance, manufacturing companies and those in their supply chain will make, thus affecting the future of our economy and jobs. We again stress that the use of random selection in issuing permits does not take seriously the needs of our economy. Businesses are crying out for

security in the light of this Brexit disaster. Will the Government clarify that they will not exercise a random approach to securing our trade? If this goes wrong, we want to know what leverage a person will have to get their voice heard and their business taken seriously. Why is there no appeal process in the draft regulations?

On regulation 27, will the Minister clarify whether, if an operator breaches any condition attached to its permit and is fined, the permit will be revoked? The draft regulations are unclear. Will he also confirm that permits will now be available electronically, rather than only on paper? The draft regulations will come into force in 2019. How will the Minister ensure that all records will also be available online?

I have a final question on the first set of draft regulations. The Minister has identified £171,700, with an additional familiarisation scheme worth £13,000, to run the permit process each year. How will he monitor that, and how will the £75.8 million required to set up the scheme be factored into the overall Brexit dividend? We want to understand the economics of running the scheme. Will he also explain the staffing required to run the scheme? It appears that minimum staffing will be provided to administer the scheme, but what about inspectors of HGVs, to ensure that drivers have the appropriate permit documentation?

Turning to the draft Trailer Registration Regulations 2018, what has happened to the consultation on trailer safety? Many powerful speeches were made as the Act passed through this place, particularly by my hon. Friends the Members for Bristol South (Karin Smyth) and for Rotherham (Sarah Champion), who highlighted the scale, risk and tragedy resulting from failings in trailer safety. Whether the issue was driver awareness, speed, use, trailer and tow bar attachment or other features, it was clear that progress needed to be made, and I recall the Minister committing to doing so during the passing of the Act. Therefore, I would like to know where the consultation has got to.

Will the Minister clarify why regulation 5(3)(a)—this is repeated in regulation 19—states that it is a defence for a person to prove that they

“were unaware and could not reasonably have been expected to be aware”

that the trailer registration would be required, and why regulation 5(3)(b) states it is a defence to prove that they “held a reasonable belief that the trailer was registered at the time of the alleged offence”?

Surely the Government have a responsibility to ensure that people who own and drive a vehicle with a trailer are aware that they should make the appropriate registration and abide by that. As with all legislation, in every sphere, there is a responsibility on Government to ensure that the public are made aware of the law passed in this place and what will constitute a failing to abide by that law. It is surprising that there is not at least a sunset clause associated with this measure.

I note the fee set out in legislation to register a trailer, and presume that will offset the cost of running the trailer registration scheme with the DVLA and the Department for Transport, together with the resource generated by the penalty schedule. While discussing cost, will the Minister state how much the setting up of the trailer registration scheme and its subsequent running costs will be? It would be interesting to learn how that is

split between administering the scheme and the inspection, examining documentation and issuing permits. I presume that drivers will have to purchase the new registration plate, rather than it being issued by the DVLA, but the draft regulations do not make that clear.

There is a requirement to register a trailer only every 10 years. Will the Minister explain the significance of that timeframe? It seems that this is only a box-ticking process that does not lend itself to additional safety inspections in future, which we would want to see introduced for the safety of the public.

Finally, paragraph 7.13 of the explanatory memorandum states that people will be issued with

“a secure paper registration document and an electronic notice of registration”.

I am glad that the Minister heeded my call for ensuring digital documentation in that instance.

9.17 am

Alan Brown: It is a pleasure to serve under your chairmanship, Mr Hanson. I will be brief. I appreciate that there is an argument for the necessity of this proposed legislation. There were no votes on Second and Third Reading of the Bill, so it makes sense to follow through with these measures.

Any idea, however, that this gets the UK ready for no deal is completely fanciful. Given that this is a small drop in the ocean of the actual registration required, the UK Government are kidding themselves. In his opening remarks, the Minister spoke of hoping to have a reciprocal arrangement, but he was not able to update us on negotiations with the EU. The UK is doing one thing and hoping that the EU comes into line and offers a reciprocal agreement.

I referred earlier to an aviation agreement. That is really important because for two years the Secretary of State for Transport told us that an agreement was imminent on aviation and the single aviation market, but just last week we discovered that talks with the EU have not even begun. That really concerns me with regard to preparation for a no deal.

On the haulage permit application process, I have concerns, as I touched on in my intervention, about the mood music around whether there will be enough permits and how they will be allocated. As the hon. Member for York Central has said, the element of random criteria causes real concern. I do not understand how that is deemed to be fair, if part of that random process is to allocate permits to the highest point scorers in a given category. If there are highest point scorers for the hauliers deemed the most important in a given sector, how is it possible to introduce that random factor? It makes no sense.

I hope the Minister will also tell us more about the engagement with the different bodies in the road haulage sector. What discussions have there been about how the application process will work? Will all the responsibility be on the hauliers? Will the Government make positive moves to contact interested parties, so that they understand the process they will have to go through and what it means for them? It is fine to print a document on a website saying, “Here is the new process”, but the most important thing is to get those who require the permits to understand the process, including how it will work and the timing involved. They will have to apply for

these permits, so they must understand the Government’s process and how the random element will work and what it means for them.

What would it mean if a lot of hauliers decided not to pick a category but to go for none or more? What would that mean for the Government’s overall assessment of the allocation of permits? Although we hear that the Government are ready for no deal, we are a long way from that, if truth be told.

9.20 am

Jesse Norman: I thank the hon. Members for York Central and for Kilmarnock and Loudoun for their contributions. Throughout the passage of the Haulage Permits and Trailer Registration Act 2018 there was a valuable debate that allowed us to refine and improve the Act, and ensure that it laid out the framework necessary to deliver the objectives set for it, through these draft instruments. I am grateful once more for this opportunity to consider the detail of the legislation with Members and for their thoughtful and considered contributions.

The hon. Member for York Central acknowledged the value of the sector, for which I am grateful, and rightly highlighted the question of a cliff edge. I share her view and reassure her that we do not see any such cliff edge in this case.

The hon. Lady also asked about temporary exemptions. It is inevitable in a scheme of this kind that there might be a need to cater for emergencies or other special needs that we expect infrequently. It is important to include a provision that caters for all eventualities, and that is what the language of special exemption allows us to do.

The hon. Lady asked whether we will be in the Community licence in future. As she knows, as we have discussed and as the hon. Member for Kilmarnock and Loudoun will also be aware, that is subject to negotiation. We have always been clear, including when the Bill was going through the House and in discussions about other statutory instruments, that we intend to maintain existing access but, of course, there are different ways to do that. There can be permits under the ECMT scheme or under a permitting arrangement, or liberal access bilaterally as well as liberalised collective access. There are different ways to ensure that possibility.

Rachael Maskell: Have specific representations been made to the Prime Minister and others leading the negotiation to ensure that we remain part of the Community licence scheme?

Jesse Norman: Representations of every kind are made continuously. The goal of the Government has always been that we should seek liberalised access for our hauliers and we believe that we will.

The hon. Lady also asked about random selection.

Mr Chris Leslie (Nottingham East) (Lab/Co-op): I apologise for missing the beginning of the Minister’s remarks but he should answer my hon. Friend’s question: is it the Government’s objective to be part of the Community licence scheme or not?

Jesse Norman: We are leaving the European Union, so the key from our point of view is to maintain the liberalised access that we have hitherto enjoyed. It is a

[*Jesse Norman*]

little unfortunate that the hon. Gentleman could not be bothered to sit here for the opening speeches and contributions. To make an intervention when he has not heard any previous discussion is little out of order.

Mr Leslie: Will the Minister give way?

Jesse Norman: No, I think the hon. Gentleman has had quite enough chance.

Mr Mark Francois (Rayleigh and Wickford) (Con): Next time, set the alarm clock.

The Chair: Order.

Jesse Norman: The hon. Gentleman has had quite enough opportunity to make a comment, given the brief time he has spent in the Committee Room. The hon. Member for York Central, who has been here and has, in contrast to the hon. Gentleman, taken an energetic and careful approach throughout the passage of the legislation, is right to raise the question of criteria and I am happy to respond.

As the hon. Lady will know, the Government published in time for this Committee a detailed explanation of how the different criteria would play out. “Guidance on Determining Permit Allocations” sets out the different criteria and the rationale for them, including all the criteria she has mentioned. It also addresses the question why an element of random selection is being used. The reason is that we wish to maximise the benefits to the UK economy. We do not wish to cut out smaller organisations, smaller hauliers, that might be excluded by a focus purely on intensity of use, proportion of international trade and the like. This provision allows a wider and more extensive use of permits, and we think that that is in the interests of the industry and of hauliers more generally.

Rachael Maskell: It is a very negative indication to business to say that we will randomly determine whether to award a permit. Business needs security. That has been the big cry of business for the past two and a half years. To then say, “Well, you may plan your business ventures, but we will not provide any certainty about whether you can access the permit scheme,” seems an incredibly random decision by Government in itself, leaving aside the impact that it will have on the economy. If, as the Minister has said, there is a focus and small businesses are able to access the scheme, will he make that absolutely clear?

Jesse Norman: That is clear in the “Guidance on Determining Permit Allocations”, and we have said all the way through that the point of including an element of random selection is to allow the benefits of a wider dispersion of permits to be felt. If we scored purely by intensity of use and/or proportion of international business, that would mean that a few hauliers might—in many cases, almost certainly would—get either all or none of the permits for which they applied. We think that that would be uncompetitive and unfair, so we have included this element. Of course, it applies only once all the existing criteria have been applied, so it is not a structuring principle from the outset of the way in which the permits are allocated.

The hon. Lady also asked why there is no appeal process. She will be aware that allocation is an automated process; there is no human discretion associated with it. It is not like a jury trial, where some judgment element might be applied in the application of the criteria. Therefore, to have an element of appeal would be to undermine the thrust of the policy and to cut against the principle that these things are automatically generated. But of course, as we have already indicated, we believe that there will be plenty of scope for existing operators to get permits, even if they do not get ECMT permits.

Rachael Maskell: The Minister is being generous in giving way. May I just try to bring some clarity to what he has said? He said earlier that discretion will be exercised over these draft regulations in relation to small businesses being able to access the scheme. That would require human intervention, but he is now saying that there will be no human intervention. Which is it?

Jesse Norman: That is an ingenious but verbal distinction. In this case, there may be circumstances in which emergency loads need to be carried, and the Secretary of State has the discretion afforded under this legislation to allow him—or, in due course, possibly her—to make an allocation on that basis. That is in exceptional circumstances; we expect that provision to be rarely used. In the application process for permits as they stand, it is an automated matter, using the criteria that we have described and set out, very helpfully in detail, in the “Guidance on Determining Permit Allocations”.

Let me turn now to the issue of trailer safety, which the hon. Lady has rightly raised.

Alan Brown: I thank the Minister for giving way before he moves on. I asked this question earlier: will the Government contact individual companies or bodies directly about this, or will it be left to individual companies to find out and then apply?

Jesse Norman: These measures have been very widely published. The hauliers’ associations are very well briefed on the matter. How freight will continue after 29 March has been a topic of national discussion and interest. Therefore, we expect people to be very well briefed. I will also keep the matter under review, but we certainly expect people who are potentially at risk because they have to take international journeys or make international transfers to be aware of these rules and to act on them.

Rachael Maskell: The Minister has not responded to my request for clarity about road haulage permits with regard to Northern Ireland. We are talking about free flow throughout Ireland, north and south, and I asked specifically if that means that there will now be a border created in the Irish sea, because the framing of the draft regulations certainly leans towards that.

Jesse Norman: No, I do not think that is true at all. Both sets of draft regulations obey the principle agreed between the Taoiseach and the Prime Minister that there should be no barriers in travelling between Northern Ireland and Ireland, and all sides are committed to that. The draft regulations do not create a permit regime or hard border on the island and that fits with our overall view, which is that trade and everyday movements across the border should be able to continue as they are. There is

no extant bilateral agreement between the UK and Ireland for road haulage. The UK Government are confident of being able to reach any agreement required at that time.

Let me pick up the point that was raised by the hon. Member for Kilmarnock and Loudoun. Further to the question of communication, it is worth stating that the Government are shortly going to undertake an extensive communication campaign, precisely in order to allow hauliers to understand the issue. Guidance has been prepared, with the input of the industry, in order to allow those messages firmly to be heard. That campaign is already under way and we expect it to escalate still further.

On the issue of trailer permits, the hon. Lady the Member for York Central asked about safety. We are continuing to work on the safety review. It is a very important issue. I have travelled to Bristol to talk to the hon. Member for Bristol South (Karin Smyth), who has taken a pioneering approach to this matter in the Commons, and we have discussed it extensively in prior Committee sittings. As the debate highlights, this is a complex matter and we have to be careful about how we proceed with it.

The hon. Member for York Central asked about the set-up versus running costs of the trailer registration scheme. Set-up costs have been covered by the Government, as we have discussed already. The running costs are being run on a cost-recovery basis, but hauliers will need to buy registration plates according to the costs and fees already indicated. Permits will be available under the regulations in whatever format is available. On haulage, ECMT permits are paper permits, under the ECMT agreement, but we are able to offer other potential sources of access if people wish to have them.

The hon. Lady also asked about DVSA staffing. She will have detected that the impact assessments are very modest for that—the impact on the industry is a few hundreds of thousands of pounds. DVSA is well advanced in preparing for a permit scheme and we do not anticipate that to be a material concern.

Rachael Maskell: The Minister is talking about staffing, which, obviously, means people's jobs. If either of these sets of draft regulations is not required, will people be laid off? What will happen to them, and what about refunds for people who have made applications for permits and licensing?

Jesse Norman: The people who have made applications for permits have essentially bought insurance in advance against the possibility that they will have to have a bilateral agreement. To that extent, they have been advantaged and we are not proposing to offer refunds to them. DVSA staffing is a matter for the DVSA itself.

These instruments represent an important stage as the Government progress with plans for leaving the European Union. Our negotiating position with the EU has been clear as we strive to achieve a deal with reciprocal arrangements that work for the industry. It should be evident that we are putting in place solid preparations for a range of outcomes, including the unlikely event of no deal.

Question put.

The Committee divided: Ayes 9, Noes 1.

Division No. 1]

AYES

Afolami, Bim	Donelan, Michelle
Bruce, Fiona	Francois, rh Mr Mark
Burghart, Alex	Norman, Jesse
Courts, Robert	Swire, rh Sir Hugo
Docherty, Leo	

NOES

Leslie, Mr Chris

Question accordingly agreed to.

Resolved,

That the Committee has considered the draft International Road Transport Permits (EU Exit) Regulations 2018.

DRAFT TRAILER REGISTRATION REGULATIONS 2018

Motion made, and Question put,

That the Committee has considered the draft Trailer Registration Regulations 2018.—(*Jesse Norman.*)

The Committee divided: Ayes 9, Noes 1.

Division No. 2]

AYES

Afolami, Bim	Donelan, Michelle
Bruce, Fiona	Francois, rh Mr Mark
Burghart, Alex	Norman, Jesse
Courts, Robert	Swire, rh Sir Hugo
Docherty, Leo	

NOES

Leslie, Mr Chris

Question accordingly agreed to.

9.38 am

Committee rose.

