

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT COMMON RULES FOR ACCESS TO THE
INTERNATIONAL MARKET FOR COACH AND BUS
SERVICES (AMENDMENT ETC.) (EU EXIT)
REGULATIONS 2019

Monday 25 March 2019

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The Committee consisted of the following Members:

Chair: † SIR CHRISTOPHER CHOPE

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| † Donelan, Michelle (<i>Chippenham</i>) (Con) | † Henderson, Gordon (<i>Sittingbourne and Sheppey</i>) (Con) |
| † Double, Steve (<i>St Austell and Newquay</i>) (Con) | † Kinnock, Stephen (<i>Aberavon</i>) (Lab) |
| † Doughty, Stephen (<i>Cardiff South and Penarth</i>) (Lab/Co-op) | † Maskell, Rachael (<i>York Central</i>) (Lab/Co-op) |
| † Eagle, Maria (<i>Garston and Halewood</i>) (Lab) | † Pawsey, Mark (<i>Rugby</i>) (Con) |
| † Ellman, Dame Louise (<i>Liverpool, Riverside</i>) (Lab/Co-op) | † Shapps, Grant (<i>Welwyn Hatfield</i>) (Con) |
| † Foxcroft, Vicky (<i>Lewisham, Deptford</i>) (Lab) | † Stephens, Chris (<i>Glasgow South West</i>) (SNP) |
| † George, Ruth (<i>High Peak</i>) (Lab) | † Sturdy, Julian (<i>York Outer</i>) (Con) |
| † Ghani, Ms Nusrat (<i>Parliamentary Under-Secretary of State for Transport</i>) | † Trevelyan, Anne-Marie (<i>Berwick-upon-Tweed</i>) (Con) |
| † Harrison, Trudy (<i>Copeland</i>) (Con) | Sarah Rees, <i>Committee Clerk</i> |
| | † attended the Committee |

Fifth Delegated Legislation Committee

Monday 25 March 2019

[SIR CHRISTOPHER CHOPE *in the Chair*]

Draft Common Rules for Access to the International Market for Coach and Bus Services (Amendment etc.) (EU Exit) Regulations 2019

6 pm

The Parliamentary Under-Secretary of State for Transport (Ms Nusrat Ghani): I beg to move,

That the Committee has considered the draft Common Rules for Access to the International Market for Coach and Bus Services (Amendment etc.) (EU Exit) Regulations 2019.

It is an honour to serve under your chairmanship, Sir Christopher. The draft regulations that we are considering will be made under powers in the European Union (Withdrawal) Act 2018 and will be needed in the event of no deal. The instrument amends the retained European Union legislation governing access to the international passenger transport market and associated domestic implementing legislation, to deal with deficiencies that would otherwise exist when the UK leaves the EU.

EU regulation 1073/2009 establishes the conditions for the international carriage of passengers by coach and bus within the EU and cabotage within member states by non-resident EU operators. It covers regular timetabled services, and occasional services such as those for holidays and tours. It establishes for this purpose a system of Community licences, which act as the international bus and coach licences used within the EU, to be issued by the competent authorities of member states. Section 3 of the withdrawal Act will preserve EU regulation 1073/2009 in domestic law, and—*[Interruption.]*

The Chair: Order. I understand that the hon. Member for Glasgow South West is finding it difficult to hear the Minister because of the conversation that is taking place. I hope hon. Members will enable those who wish to listen to so do.

Ms Ghani: I will perhaps speak a little bit louder, Mr Chairman. Section 2 will preserve implementing domestic legislation, including the Public Passenger Vehicles Act 1981 and the Road Transport (International Passenger Services) Regulations 2018. The statutory instrument adjusts the language and references in those pieces of retained legislation and five others to recognise that the UK is no longer a member state.

The SI amends the retained UK version of regulation 1073/2009, and allows EU-based operators to continue to access the UK market in a no-deal scenario on a unilateral basis by recognising Community licences and control documents issued by EU authorities under EU legislation. Existing authorisations for international regular services to the UK will continue to be recognised to avoid any additional administrative burden for operators.

In respect of the retained EU legislation, this SI covers Northern Ireland, too, but that devolved Administration will need to make consequential changes to their legislation; that is the subject of a separate instrument. The retained regulation 1073/2009 will apply only to EU-based operators. In the event of no deal, UK operators will be able to continue to access the EU market through the UK's accession to the Interbus agreement, an EU multilateral agreement that allows bus and coach operators to run occasional services between participating countries. The UK is currently party to the agreement through its EU membership. As part of contingency planning for no deal, the Government have deposited the UK's instrument of accession to the Interbus agreement, meaning that the UK will become a member of the agreement in its own right. Due to the wording of the agreement, it may only enter into force on the first of the month.

The Government have made a commitment to reducing the adverse impact of EU exit on businesses and citizens, and that applies to people's ability to make international journeys by bus or coach. Coach travel provides a safe and environmentally friendly choice of travel, and its low cost is particularly valued by individuals on low incomes. Coaches from continental Europe bring in some 1.6 million visitors each year, and in Northern Ireland travel across the border is a commonplace daily activity, with 900,000 journeys across the border per annum. These draft regulations are essential to support our tourism industry, and to ensure that international services that are, in effect, cross-border local bus services on the island of Ireland can continue to run.

6.4 pm

Rachael Maskell (York Central) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Christopher. These regulations seek to establish common rules for access to the international market for coach and bus operators from the EU, so that they can operate in the UK and continue to function in a similar way after the proposed, and changing, exit day, and to minimise any potential disruption to services for passengers in a no-deal scenario. Of the 1.6 million annual coach journeys to the UK, 83% are from the EU, so there are widespread implications.

For reciprocal arrangements, it is expected that the Interbus agreement will be brought into force, and I wonder whether the Minister could update the Committee on the position, including the expected date of implementation. I heard her mention the beginning of the month, but she did not say which month. Given an exit day of no earlier than 12 April, it would be helpful to know whether that meant the beginning of April or a later date.

In the light of the importance of the regulations, it is astounding that the Government have left them until fewer than four days before the date when the UK was due to leave the European Union. That could have had a serious impact on the coach and bus sector and the tourist sector, and it shows just how ill prepared the Government are for leaving the European Union. The regulations establish the conditions—whether for regular, scheduled coach services or occasional, non-scheduled services such as holiday and tour services between the UK and EU—for the international carriage of passengers by coach and bus within the EU, and for cabotage

arrangements. They also cover the licensing arrangements within the EU, if we move out of the Community licence arrangements.

The regulations would move powers from the European Union to the Secretary of State for Transport and the Northern Ireland Department of the Environment, to enable coach and bus operators from the EU who were in the Community licence scheme to operate in the UK as they do now. I note that EU operators who wish to obtain a new authorisation for a regular scheduled coach service to the UK will in future need to apply for new authorisation from the appropriate authority in the UK, instead of in their home member state. If a new operator were to apply from 30 March—the relevant date might now be 13 April—assuming that the UK had left the EU, would the UK be ready to issue a new licence? How much is already in place for the transition? What would happen to cabotage arrangements?

Will the Minister explain how licensing will differ for current European economic area operators? Those issues are particularly acute for Ireland, north and south, where there is a gap between leaving the EU and the coming into force of the Interbus agreement. That is my understanding, although I have asked for clarity. Why is that the case when there are 900,000 journeys across the border? What risk has the Minister uncovered, through having such a gap, and how will she address that?

With the transfer of powers from the EU to the International Road Freight Office, should the UK leave the EU, how much additional work will be created? How many operators are expected to require licensing, in the light of a no-deal scenario, by 12 April, and what will the cost be? I note that in proceedings on previous regulations, various Ministers have stated that costs would be minimal, but an accumulation of many minimal costs soon adds up. What is the total cost?

For those who hold a personal service vehicle operator's licence and those who are part of the EU Community licence regime, no friction must be built into the transition of powers. Can the Minister assure operators of that?

In the light of the crisis that we face as a nation, the regulations are critical in reducing risk to coach and bus companies. Labour will therefore not oppose them this evening.

6.8 pm

Chris Stephens (Glasgow South West) (SNP): I shall be brief. A key thing was missing from what the Minister said, and it comes down to the issue of passenger rights. Even though the UK is leaving the EU, consumers and passengers across the UK must be given clear and unequivocal assurances and guarantees that their rights and safety will not be compromised. Under EU directives, UK passengers are entitled to a huge number of benefits if a journey is cancelled or delayed. That gives some protection and assurances to consumers, and provides passengers with peace of mind. Will the Minister say something about passenger rights and whether the Government intend them to be protected, as they are under the directives in question?

6.9 pm

Ms Ghani: I thank hon. Members for their consideration of the regulations. Let me turn to some of the points made. Apologies for having been a little remiss; the

proposal comes into play on 1 April. The UK will have completed formal accession to the Interbus agreement by the end of March, and it comes in on the first Monday after that, which is 1 April. My apologies for not mentioning that earlier. Engagement is ongoing with the Interbus depository to ensure alignment between the end of the formal accession period for Interbus and the short extension to article 50.

The other question was about cabotage and Northern Ireland. Under the agreement, cabotage can continue between the Republic of Ireland and Northern Ireland. Should we leave with no deal, we will continue to work with the European Commission and the Republic of Ireland to ensure that any long-term transport arrangements between the UK and the EU take into account the unique transport demands on the island of Ireland.

There was also some conversation about the impact that the agreement has on the sector, and potentially on the cost. I place on record the fact that my officials have been working with the Confederation of Passenger Transport, which is the main industry representative body, and the Federation of Passenger Transport Northern Ireland, to ensure that stakeholder consultation has taken place, and to understand the impact of this statutory instrument. All stakeholders support the UK's decision to join the Interbus agreement independently. Any costs are noted as minimal, and any certification or passporting to allow this business to continue tends to be over a five-year period; the authorisations last for five years. Work has taken place to see how much work that would involve going forward.

Rachael Maskell: Could the Minister give some clarity on the impact on EEA countries? What will happen to their operations?

Ms Ghani: The Interbus agreement works with countries beyond the EU. There are another six countries that it is working with. My officials are working closely with them to put in place bilateral agreements to allow processes and practices that are in place to continue.

I thank the hon. Member for Glasgow South West for his question about passenger rights. We have worked to ensure that passenger rights will be as they are today; we are taking on board any part of EU legislation that we can adopt into UK legislation. As maritime Minister as well, I must say that we have gone above and beyond what is expected; we are working to international guidelines, not just EU guidelines, in this area.

I believe that the Committee is in agreement that these are serious regulations that we need to take forward to ensure that tourism, which is incredibly important business between the UK and the EU, can continue. I hope that hon. Members will support this instrument, so that we can ensure international coach travel access, and particularly regular services, to the UK for EU bus and coach operators, in much the same manner as before, in the interest of passengers. That is the reason why they will be supporting these regulations, which I commend to the Committee.

Question put and agreed to.

6.13 pm

Committee rose.

