

**Written Ministerial Statement issued by Transport Minister, Jesse Norman MP
on Tuesday 5 February 2019**

EU Exit – Road Haulage

The Government is making preparations to allow hauliers and business customers to continue transporting goods between the UK and the EU, once the UK has left the EU. These preparations include being ready for leaving the EU without having concluded a withdrawal agreement. In this context, the Government is, this week, advancing a number of such measures.

International haulage operations within the EU are regulated by European legislation that covers both the licensing framework for hauliers and the access hauliers have to other member states' markets.

I am today laying a draft Statutory Instrument which will ensure that UK law continues to operate effectively if we leave without a deal. We will continue to licence UK hauliers to the same exacting and high safety, environmental and operating standards which they currently meet, and will require foreign hauliers to do the same. The legislation also provides for continued access to the UK market, after exit, for hauliers from the 27 EU member states. Over 80% of haulage between the UK and continental Europe is undertaken by EU hauliers and it is important to ensure that the UK's supply chains are protected. The UK needs to be sure that essential supplies for citizens and businesses can be imported, and UK products can continue to be exported as usual. We think this unilateral access is justified at this stage both to provide reassurance to wider industry on the capability for international freight flows to continue, but also to help ensure reciprocal arrangements for UK hauliers.

The European Commission has proposed legislation that would allow UK hauliers basic rights to conduct operations to, from and through the EU for a limited period of nine months after exit, if there is no deal. The Commission's proposal will need to be agreed by the Council and European Parliament, and is being considered by both institutions urgently. This proposal is predicated on the UK granting equivalent access for EU hauliers to the UK. The legislation I have laid before the House today provides for that access. Indeed, it is a more liberal offer. We are discussing with the Commission whether there is scope to extend their offer to match ours.

My intention is that access for EU hauliers will be equivalent to the access UK hauliers will have to the EU. Depending on the outcome of these discussions, we will review the UK's offer to EU hauliers. Our legislation contains provision to suspend EU hauliers' rights to undertake cabotage operations in the UK. We are putting in place measures to introduce such a suspension, which could be put into effect immediately after exit day if needed. Our intention and expectation is that such a suspension will not be necessary.

In parallel we have been considering bilateral and unilateral measures with EU member states. France is separately progressing a unilateral measure to provide wider access to UK hauliers in the event of no deal. There are also 22 historic

bilateral agreements that would come back into effect if the UK leaves the EU without a deal.

A multilateral quota of transport licences was introduced by the European Conference of Ministers of Transport (ECMT) in 1974 to support liberalised road freight transport between member states of that body. The licences, known as ECMT permits, allow for access between the 43 member states (which include all EU Member States except Cyprus). The UK has an allocation of 984 annual and 2,832 short-term (valid for 30 days) ECMT permits for 2019. These levels were agreed through a long-standing formula approach before we knew that the UK would be leaving the EU. The Government's expectation is that hauliers should not need an ECMT permit to continue doing a range of business in all, or much of the EU, even in the event of no deal. But it is important to continue to prepare for all possible scenarios, and if it should prove necessary to use some of these permits for UK hauliers operating to EU countries, the Government has put in place a scheme to allocate these permits, as detailed under the Haulage Permits and Trailer Registration Act 2018.

UK hauliers have been applying for ECMT permits and the Government will inform applicants of the outcome of their applications later this week. As we expect UK hauliers will have other means of ensuing market access to the EU, we will inform UK hauliers of the outcomes to provide certainty, but will allow a period of time before these need to be formally taken and paid for by successful hauliers. This approach has been agreed with road haulage stakeholders. The 2018 Act provides appropriate arrangements for distributing any new permits which may be required under any future bilateral arrangements, if these are needed.

Overall, we are confident that reciprocal market access will be secured for UK hauliers and this is the right time to demonstrate that the UK is taking a positive and pragmatic approach, while continuing to plan and deliver for all eventualities.