



Brexit – time for politics to grow up.

The reality of 30 March “no deal”

30th July 2018 (edit 3 August)

1. The RHA believes that it is time for UK and EU politicians and officials to grow up and start to realise that the current progress (or lack of) on Brexit arrangements is a sad embarrassment for all those involved.
2. The current political gaming is unacceptable. The UK and the EU is facing a serious emergency. Brexit should not be a political game that is played out in support of petty political principles – the people of the UK and the EU have their lives and livelihoods on the line.
3. We need pragmatic approaches to practical issues arising from the UK withdrawal from the EU. This paper deals with matters of primary importance for the members of the RHA and international road haulage operators.

EU Citizens in the UK and UK Citizens in the EU

4. The current situation, where citizens have no certainty over their future status, is unacceptable. Agreement has been reached between the UK and the EU on citizens acquired rights, delaying implementation is punishing citizens who have done nothing wrong.
5. Regardless of the wider political landscape around Brexit, the “nothing is agreed until it is all agreed” approach which is being applied to the citizens who have moved between the UK and the EU is small minded, petty, childish.
6. **We call on the UK Government and the European Commission (or the individual EU Member States if necessary) to immediately seal the deal on citizens rights so the millions of people who have moved between the EU and UK can get on with their lives.**

Customs – Lorries moving across the UK / EU border

7. A no deal applying from the 29 March next year will result in every shipment moving by road vehicle between the UK and the EU requiring customs clearance. Millions of lorries, with hundreds of millions of shipments move this way every year.
8. Each shipment will require both an export clearance for departure and an import clearance for arrival regardless of the direction of travel.

9. There is a small volume of non-EU traffic moving through the ferry ports and Channel Tunnel now that requires clearance on arrival and departure from the UK. Processing time for each lorry varies considerably – but on average stops the lorry at the clearance point for around 45 minutes. (Each lorry 90 minutes total for import/export process).
10. No ferry port (or the tunnel) has facilities to accommodate this extra customs work – in the UK or the EU. There is no processing point that can handle the volume of business. There are not enough customs agents to handle the business, nor enough customs officers. With the lack of knowledge and skills massive numbers of processing mistakes will be made in respect of duties and VAT – therefore current processing times will not be achievable.
11. The arrival side, where import clearances will happen, will be the main cause of delays. The reason is that processing inbound lorries to complete customs and transit formalities will result in lorries being stopped on arrival – they will quickly back up resulting in ferries and trains not being able to unload the inbound lorries as there is nowhere for them to wait away from the terminals. The point is that you cannot load in the other direction until the ferry or trains have been unloaded.
12. Even if one side (say the UK) decided to wave the lorries through on arrival, the delays will still occur as the other side of the border will be the bottle neck. Lorries on the ferries and trains will back up, probably within hours, preventing the return trips of the ferries and trains.
13. Without decisive action the RHA believes that Kent and the area around Calais will become the world's largest lorry park within 2 days.
14. At this time we cannot conceive of any solution that is workable for the UK / Irish border in compliance with the requirement for customs clearance.
15. **We call on the politicians of the UK and EU to conclude an agreement that will allow goods to move between and through EU and UK territory without the need for customs and other controls at borders. If this is impossible, we call on the politicians to agree that new arrangements will be subject to the already agreed implementation period to the 31st December 2020.**

Licensing of international road haulage (permits)

16. Currently all EU lorries move freely around the EU under a “Community Licence”. A no deal will end this for EU operators in the UK and for UK operators in the EU. Alternatives will need to be used.

17. The only usable system now in place to allow UK lorries to move goods internationally into and through the EU and vice versa is an old permit and quota system called ECMT¹. Without a new arrangement, each lorry moving between the UK and EU will require an ECMT permit.
18. ECMT permits are quota limited. The maximum number of lorries that can be issued with a permit by the UK is 1,124, that is less than 5% of the licences currently issued.
19. EU States are also quota limited by ECMT. Examples are: Ireland limited to a maximum of 1,080 lorries; France 2,076; Netherlands 1,800; Italy 804; Austria 190.² This is a fraction of what is needed to move goods between the UK and the EU.
20. With the massive delays at ports, and the significant increase in bureaucracy required to deal with UK traffic, it is likely that many EU hauliers will remove themselves from the UK market. Even with significant additional charges to customers, many EU operators will be unwilling to invest the resources required to move goods to, from or through the UK.
21. Given the 95% shortfall in permits available to UK operators to meet existing demand, there will be no opportunity for UK operators to fill the gap vacated by EU operators withdrawing from the market.
22. The RHA has been calling for an agreement to be developed, based on common standards and mutual recognition, to allow all UK and EU international lorry operations to continue without limits imposed by quotas.
23. Shamefully, no progress has been made in this area. As things stand the only alternative to the current community licence system is the quota limited ECMT system.
24. **We call for an agreement that will allow lorries to move goods being transported by road between and through EU and UK territory with a single licence or permit that is unlimited by quota.**

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¹ See notes for a short description of the ECMT Quota system.

² See notes for full list of EU States maximum number of permits.



The Road Haulage Association

Notes.

The Road Haulage Association

The RHA is the leading trade association representing road haulage and distribution companies, which operate HGVs as profit centres. Our 7,000 members, operating near to 250,000 HGVs, range from single-truck firms to those with thousands of vehicles. These companies provide essential services on which the people and businesses of the UK depend.

We proactively encourage a spirit of entrepreneurship, compliance, profitability, safety and social responsibility. We do so through a range of advice, representation and services, including training.

The RHA website is www.rha.uk.net

Twitter: @RHANews

Overview of the ECMT Permit System

The European Conference of Ministers of Transport (ECMT) Multilateral Quota is a system of transport permits for pan-European road haulage. It was introduced in 1974 and enables hauliers to undertake freight operations throughout the 43 European member countries participating in the system. The system is managed by the International Transport Forum, based in Paris.

Each Member State has a limited number of permits (there is no realistic prospect of the total number of permits being increased, this would require all 43 members to agree).

Due to the complexity of operation, and the limited number of permits available, the ECMT system has usually been used only when other systems are not available. Within the EU and (and some other approved non-EU States) the unlimited system of “community licences” is used.

Member countries participating in the quota system:

Albania, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, FYROM, Georgia, Germany, Greece, Hungary, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine and United Kingdom.

ECMT Permit information: <https://www.itf-oecd.org/country-licences>



The Road Haulage Association

Latest Department for Transport Statistics

DfT Statistics on international road freight (27 July 2018):

www.gov.uk/government/statistics/road-freight-statistics-2017

ECMT Quota Limits 2018 – by EU Member State

The following is the maximum number of lorries that can be issued with ECMT permits by EU member states. (This is based on every lorry meeting the Euro VI emission standard).

It is also worth noting that many these permits are used to access non-EU markets already so would not be available for use to, from or through the UK.

Austria	192
Belgium	1,416
Bulgaria	2,244
Croatia	1,824
Czech Republic	2,232
Cyprus	0 (not part of ECMT)
Denmark	1,080
Estonia	1,668
Finland	252
France	2,076
Germany	2,748
Greece	720
Hungary	1,692
Ireland	1,080
Italy	804
Latvia	1,860
Lithuania	2,028
Luxembourg	456
Malta	252
Netherlands	1,800
Poland	3,816
Portugal	1,080
Romania	2,256
Slovakia	1,863
Slovenia	1,692
Spain	1,356
Sweden	1,260
EU Total	39,720 (excluding UK)