



Select Committee on the European Union

Corrected oral evidence: The Protocol on Ireland/Northern Ireland

Tuesday 25 February 2020

2 pm

Watch the meeting

Members present: The Earl of Kinnoull (The Chair); Lord Cavendish of Furness; Lord Jay of Ewelme; Lord Kerr of Kinlochard; Lord Wood of Anfield.

Evidence Session No. 2

Heard in Public

Questions 19 – 23

Witnesses

[I:](#) Graham Keddie, Managing Director, Belfast International Airport; Les Stracey, Director of Corporate Affairs, Stena Line Limited; Andrew Kane, Operations Manager Ports & Terminals Irish Sea North, Stena Line; Maurice Bullick, Finance and Compliance Director, Belfast Harbour; Pamela Dennison, Chair, Freight Transport Association Northern Ireland.

Examination of Witnesses

Graham Keddie, Les Stracey, Andrew Kane, Maurice Bullick and Pamela Dennison.

Q19 **The Chair:** Thank you all for coming along this afternoon. I am sorry that we have only an hour. This is a public evidence session, which means it is being webcast. A transcript will be taken and sent to you, and we would be grateful if you could look at it, check for any corrections that need to be made and let us know about those in due course.

I am Charles Kinnoull. When you speak for the first time, I wonder if you could introduce yourself very briefly, so that those watching online know who you are. We obviously do, because we have your biographies in front of us, but they will not, so that would be very helpful.

In view of the shortage of time, I will go straight in and ask you for an overall assessment of the protocol and the opportunities and challenges that you feel it presents for your businesses and for Northern Ireland. Perhaps you could begin, Graham.

Graham Keddie: I am the managing director of Belfast International Airport. We are the second-largest airport on the island. In terms of air cargo, we are the second-largest here and about the seventh-largest in the UK.

It is always easier to start with the challenges. I think the number one challenge is not knowing what will happen and what regimes will be applied. How do we plan for that? How do we deal with it?

The level playing field is obviously a big issue. In aviation terms, we do not currently have a level playing field on this island against our competitors in the Republic. For example, air passenger duty, tourism terms and VAT are different. That is an issue for the level playing field and whether we will have it.

The air cargo issues are perhaps different from those of sea cargo, in that virtually all the air cargo coming into Northern Ireland through us is small packages moved by integrators. There are literally thousands of shipments a night coming through. It is all night operations. How will that be managed with what is perceived as a border down the Irish Sea? Those are the challenges for us.

There is also the question of duty-free, from the passenger side. It may not seem very much to the gentlemen around this table, but it will be a big issue if duty-free is reintroduced in the rest of the United Kingdom but not in Northern Ireland, because we are aligned with EU regulations. Again, it makes us uncompetitive in the UK aviation market. There are a lot of challenges there.

Pamela Dennison: I am sitting here today as chair of the Freight Transport Association in Northern Ireland. I also have two other hats. I am national officer for the Chartered Institute of Logistics and Transport

and, most importantly, I am development manager in our family business, W. S. Dennison. We run a haulage business that operates throughout the UK and Ireland.

At the minute, we are in limbo. Our customers are asking us how to prepare, but I cannot tell them, because I do not know, the Government do not know and trade bodies do not know. At the minute, we are very much in limbo in that respect. Deciding how best to deal with that will ultimately be left to us. It will affect our trucks and trailers. There will be financial implications for our business. It will eat into our margins. We will have to invest in extra resource. There will be delays due to restrictions on drivers' hours. At the minute, we do not know what January will hold for us in terms of port operations and whether there will be checks. The Secretary of State said yesterday that the Government want unfettered access, but we are preparing for checks because the protocol says we should do so.

I am just seeking clarity and reassurance for businesses like my own, so that we can move forward and prepare, bearing in mind that we have 10 months to go. It creates a lot of risk, and businesses do not do well with risk hanging over their heads. So we are looking for clarity and reassurance and want to know what the impact on us will be. We are a small and medium-sized enterprise in a specialist market. There are so many hauliers like us in Northern Ireland, which are family run and operated. The risk to our businesses here could be very great.

I have not seen any opportunities just yet, but I hope that that might change once we understand what is needed come January. Until that point, I cannot give anything.

Maurice Bullick: Thank you and good afternoon. I am the finance and compliance director at Belfast Harbour Commissioners. I am also on the council of the British Ports Association. So that you understand the background, Belfast is the tenth-largest cargo port in the United Kingdom, ranked by cargo tonnage. We are the second-largest on the island of Ireland and are obviously the largest here in Northern Ireland. About 70% of our overall traffic is trade between Belfast and mainland Great Britain. That 70% figure applies both ways; it is slightly higher on the export side and a bit lower on the input side.

Our primary concern relates to the operating model of the port. The operating model, from a port authority perspective, is not to get involved in trading cargoes through the port; we do not do that. We do not do the checking and so on; that is the responsibility of government agencies. We are primarily an infrastructure provider, so the question for us is: what potential impact will the Northern Ireland protocol have on the infrastructure requirement of the port?

On your question on the Northern Ireland protocol, I am afraid that the short answer is that, until the protocol has been defined in detail through the processes that it sets in train—namely the joint committee, which I believe is to commence work in March this year—we cannot really make

any sensible planning assumptions about how the protocol will operate on the ground for the simple reason that the processes have not been defined. We are very much in wait-and-see mode until that process filters down.

We attended the border delivery group stakeholder event in London—two Mondays ago, I think. We heard the Chancellor of the Duchy of Lancaster speak. He set out in a little more detail what his understanding of the Northern Ireland protocol was. He explained that unfettered access on the Northern Ireland to Great Britain leg was a light-touch—I think that was the word he used—administrative process. He then explained that, on the GB-NI leg, there would be customs processes and duty to be paid on cargoes which were at risk of transiting through Northern Ireland to the Republic of Ireland. That is a little further ahead than where we thought we were, because the Northern Ireland protocol does not really define what unfettered access is. However, we would say that unfettered access should mean a state equivalent to what we have today, namely no friction at all. That should be the objective of the protocol, because that is obviously the best situation for trade.

I am afraid that I cannot comment on opportunities at the moment because, as I said, we have to leave our analysis of the Northern Ireland protocol until the joint committee has done its work and produced a final outcome. One has to bear in mind that the United Kingdom finally exits the European Union on 1 January 2021. For Northern Ireland, that is almost like having two transition periods: one to figure out what the rules are, and another to figure out how to operate them. So I am afraid that this is over to the Government.

I am not criticising any of the government contacts in any way, because we have been involved throughout, through the border delivery group and the Department for Infrastructure. There is no doubt that officials are working very hard to do what they can, but they are not in a state of knowledge which allows them to put us in a state of knowledge.

My final conclusion is that a lot of what we might say today will be a little premature until we have the defined set of rules coming from the joint committee, when it consummates its deliberations in due course.

Les Stracey: I am director of Stena Line Ltd. Belfast is a very important hub for Stena Line. We operate on three routes out of Belfast, to Cairnryan in Scotland, and Heysham and Birkenhead in the north-west of England. We have 140 sailings a week from Belfast, operating with seven ships and carrying 540,000 freight units, approximately 67% of which are unaccompanied. According to the surveys we have done in the past, 97% of those 540,000 units are UK-to-UK trade only, so that does not cross the border to the Republic of Ireland.

We are very committed to the Belfast route. We see a long-term future for it and we are positive about market growth, but we will have a significant short-term focus, depending on what the new trade deal may or may not be. We are really concerned about the impact on trade if the

WTO rules apply with various tariffs in place. Our concern is what level of controls will be required. What inspections will be made, given that a significant volume of our traffic is UK to UK? We are uncertain whether checks will be made on only the 3%, and what customs declarations will be required for either the 100% or the 3%. Like my colleagues here, we are totally uncertain about the level of checks and customs formalities that will be required.

We are operating 12 sailings a day out of Belfast to Cairnryan. The port turnaround for those sailings is about one hour 36 minutes. Delays because of customs checks on the inbound traffic may cause problems with discharging ships and therefore problems loading them. If there are significant checks at ports, that will give us great concerns about what the impact on our timetable will be. My understanding is that for SPS veterinary checks, a documentary check will be required for 100% of the trade while for a physical check it may be 10%.

The other issue is whether there are fewer regulatory requirements for traffic from Belfast to, say, Cairnryan compared with our route from Dublin to Holyhead. Some 20% to 30% of our traffic going from Dublin to Holyhead is sourced from the north. What will be the propensity of that traffic to change its flows and go across from Belfast rather than travelling down to Dublin? There are those uncertainties about the impact if there is not a level playing field between the north and the south in terms of customs checks.

We have significant challenges and it is difficult to see what opportunities there are in terms of our overall assessment of the protocol. At the moment, we are neither negative nor positive about it because we do not know what it will mean in practice and the impact it will have on our operations. It is fine having all of this on paper, but we really need information from government about what we need to do and what infrastructure arrangements will be required at ports. Our business requirements will be off-site rather than at the port, so that we can carry on as we are today with travel out of Ireland that is as frictionless as possible.

Andrew Kane: My colleagues have covered all the relevant points. The big thing from the operational perspective will be the infrastructure. We need guidance on where that is going to be because as the other panellists have said, eight months is not a lot of time to get all this stuff prepared.

The Chair: You have quoted a lot of very interesting statistics. Would it be possible to send them to us in written format so that we can add them to the evidence pile?

Andrew Kane: We will be happy to do that.

Q20 **Lord Kerr of Kinlochard:** In a way, my fox has been shot. I had intended to ask what clarification of the protocol will be needed, but it sounds as if the answer is 100%. Is this something that you can do

something about? You are going to face a big problem. Assuming that we get a Government lead on how to implement the protocol and that they stop denying that what it says is what it says, at that stage they will tell you what you have to do and that you have to do it by the end of the year because it will have to be up and running by 1 January. That will be a tall order, whatever it is you have to do; no doubt it will be very difficult.

Can you speed up the process at all by putting forward to the Government some indications of what sort of things would work and what would not work? That would steer them as regards what in due course they tell you that you have to do. Mr Bullick said that it would be premature to make plans until we know what their plans are, but is this not a bit of a chicken-and-egg situation? They will know much less about how to run controls at ports and airports than you do. Should you not get the ball rolling on this?

Les Stracey: If I can interject here, I totally agree with you. So far, we have had very good engagement with government officials in putting together what our requirements will be and what we are looking for. We are proposing various digital solutions to maintain the flow of traffic through the port and avoid the need for significant expenditure on infrastructure. We have been working with Government on that and we will continue with that engagement, because what is important is that a system or technological solution is put in place that works for all parties. The Government can then get the information they need and we can keep traffic as frictionless as possible. We can work out the various data flows through our customers and through ourselves, to enhance what hopefully will be mainly a risk-led and intelligence-led approach to interventions from the Border Force at our ports.

Lord Kerr of Kinlochard: We will be saying something to the Government too. To the extent that you have felt able to show us the papers that you will put before the Government, that might help us because we probably know a bit less about how to run ports than you do. Could you touch on the people dimension—up to now we have been talking about goods—the end of free movement and an immigration system that will be introduced by the British? Does that mean that, for example, for NI to GB people travel, despite the continuation of the common travel area there will be a need to check on, say, the Latvian who has come into Dublin and who now plans to go on to GB? Will new responsibilities be laid on you?

Graham Keddie: I will take that one, as we are the big people movers. The indication from Border Force is that there will be no outbound immigration checks. Traditionally there have not been outbound immigration checks in the United Kingdom for some time and we are assuming that under the CTA, that will not change. It should be said that sometimes border enforcement carries out intelligence-led operations anyway, depending on what they see from aircraft loadings, as an example. They check primarily for illegal immigrants. We have never been part of Schengen anyway, so in truth there has not really been free

movement in aviation terms because we have always had to have immigration checks. The indication from Border Force is that there will be no immigration checks outbound.

As regards inbound, I would assume that it is still domestic travel and still part of the CTA, so domestic flights would not be checked. Inbound European flights are always checked anyway.

Lord Kerr of Kinlochard: What do you think our role in the Westminster Parliament is? What do you think the Northern Ireland Assembly's role is? What should we be doing to monitor preparations for the protocol coming into effect and assist your debate with government about this? What is our role?

Pamela Dennison: From what I understand, on top of import and export declarations, hauliers are required to complete safety and security declarations. HMRC has said that if they are completed incorrectly, there will be an automatic £300 fine for the haulier. What we are really asking for is to have a safety and security agreement set up in advance that keeps things compliant on both sides, so we can set that to the side and move forward. If it is then just a case of customs formalities, that is one less paperwork exercise to be completed and one less check to be enforced or granted. That might speed things up in some shape or form.

In addition, we are asking for some type of derogation for dead-end hosts—for example, a full load for delivery to Asda in Northern Ireland. We know exactly where that comes from—its UK mainland distribution centres—and it goes straight to the final destination of the shop in Northern Ireland. There is no threat to the EU single market, because we know the route exactly and there is traceability on that side of things. There are different options that could assist us in some shape or form, come January 2021.

Q21 **Lord Wood of Anfield:** I want to ask about some of the detail on trade, first for Northern Ireland-GB and then for GB-Northern Ireland, with the focus very much on what you think a good solution would be, given the complexities and challenges. First, on Northern Ireland to Great Britain trade, one of the things we have heard a lot about today and in other sessions is that, whether travelling by air or sea, each container will have lots and lots of different consignments from different companies—I do not know if I am using the terminology properly. Those in charge of transport bear the responsibility for having correct paperwork for hundreds, if not thousands, of individual consignments.

We know that these exit declaration forms will be required for goods going from Northern Ireland to Great Britain. Given that, and the health and other checks that you mentioned, there will obviously be a paperwork burden. You may not like it, but I guess that is part of the nature of the beast with this. However, what additional things would you like to see in place to make that a manageable system, rather than one which destroys the transport business model that you provide?

Graham Keddie: Do you want the brutal answer? Get rid of it.

Lord Wood of Anfield: But is it not an EU requirement that the exit forms are complete? As far as I understand it, it is not in the gift of the UK Government to remove this.

Graham Keddle: Ultimately, it will be very difficult, because it is bureaucracy and that will limit our competitiveness across the board. The Province is already on the periphery and we would then become even more peripheral in terms of costs. We already have more expensive electricity than most parts of the United Kingdom. Our bureaucratic costs would go up suddenly and our ability to deliver quickly could be damaged.

Ultimately, we have to have something which works fluently and quickly. Bureaucracy always adds costs, because administration is a cost. That is the difficulty we face. We already struggle in the private sector. It is very good at what it does. It is not a huge part of the economy, but it is very fast-growing. Will we end up damaging that because of this, because it fundamentally damages our competitiveness?

Les Stracey: Our problem is the data flows. Pamela mentioned the safety and security declarations under the Union Customs Code. For unaccompanied freight, as against accompanied freight, we are classed as the carrier under the UCC. That therefore means that we have to submit safety and security declarations. If there are 100 consignments in the back of a trailer, we would technically need to know all the details for every single consignment. We would have to collect them in our system to be able to pass them on for the safety and security declaration.

To me, that is a nonsense. We are effectively being asked to collect data which we do not have. In reality, whatever system is developed, the data flows should go from those who have the data rather than from those who do not have it. As far as we are concerned as a ferry operator, the goods are the trailer, not what is inside it. It will create an administrative load and a cost if we have to collect that data.

While we can delegate the responsibility to submit the data and the safety and security declarations to the ICS, we remain liable for that. Even if we submit the data, we have no ability to check whether it is correct. However, if it is incorrect, we are liable. It seems to me that an unaccompanied trailer should not be classed any differently from an accompanied trailer and that the UCC is for deep-sea container traffic, for which there is plenty of time during the journey to get the declarations and the information in the systems. We are really concerned about the data flow and are looking for a digital solution to reduce the data that we need to collect, which we do not collect at the moment.

Pamela Dennison: On that, for my family business, I have availed myself of the HMRC grant for customs training. However, I would make the analogy that you do not learn to drive a car behind a computer but behind the wheel and by getting in and driving the car. I have learned only the theory; I cannot get practical access to learn about import and export declarations. People will not give me that opportunity, for

commercially sensitive reasons—I completely appreciate that. I am trying my best to be proactive, forward-thinking and organised to prepare for January, but there is a limit to how much I can do.

As a small business, I then need to look at alternatives. My customers are asking me about this, but I remind them that, as a haulier, it is not my responsibility to complete import and export declarations; it is their responsibility. I am just the mover of those goods. However, ultimately, I will be greatly affected. If that paperwork goes wrong, and I have 50 different consignments on my trailer, it is my business, my driver and my vehicle that is affected. Those costs have to go somewhere. They will go straight to my customer or the end user and that will just put additional costs on top of the import and export declaration costs.

In addition, this will come in January. This January, we saw Storm Brendan, Storm Ciara and Storm Dennis—three storms in four weeks. I do not deliver perishable goods, so if I have a dedicated timeslot on a sailing tomorrow morning, and Storm Dennis comes along, I move to the bottom of the list because my goods are not classified as perishable. However, my goods are still important to my customers. There is only so much floor space on these ships. If that 20% to 30% moves from the Dublin to Holyhead routes up to the Cairnryan and North Sea routes, it puts them under pressure. Again, my goods are just as important to my customers as those of other hauliers are to theirs, but because theirs are perishable, they take precedent.

That opens up another question, namely driver welfare. As a haulier, we have a responsibility to look after our drivers. If we are at the bottom of that list, I have a responsibility to ensure that my employees have safe and secure overnight accommodation and access to food and shower facilities, and that their loads are safe and secure. It just opens another can of worms. We are trying to do as much as we can but, based on the information provided and the time, I despair about what is going to come, come January.

Les Stracey: From a ferry operator perspective, we will be ready only as far as our customers are ready. One of our concerns is the significant shortage of customs agents at the moment. If there are no customs agents around, who is going to complete the paperwork? As far as we are concerned, customs declarations must be pre-notified. If a trailer turns up at our port without any proof of customs declarations, we are going to send it away and ask them to come back with the completed forms. A lot of our trade is in foodstuffs and there is anxiety about what damage will be done to them if they cannot get to the supermarkets over here in good time.

Lord Wood of Anfield: That is quite stark, but thank you. That is very helpful. I would like to ask about the return journeys using the Northern Ireland route. One issue is what will be classified as being “at risk”. What is your view of an efficient system or methodology for establishing what would count as being at risk; one that is tolerable for businesses like yours?

Les Stracey: As the ferry operator, we do not know where those goods are going, so that is very difficult for us. I have already said that we believe that 97% of the freight on our ships going into Belfast and vice versa is UK to UK. Our concern is about what the process will be. Will the default position be that it is at risk, or not at risk?

Lord Wood of Anfield: Have your discussions given you a sense of what the UK Government's view on that is?

Les Stracey: The question of what clarifications we require is a big one, and of course the joint committee's task, effectively, is to look into that. The other issue is whether the goods are "at risk" because they have been processed in Northern Ireland. We would have no idea about that. If we have to police that system when we do not have the information, that will be very difficult indeed. What is the process going to be for the collection of duties and reimbursement if the goods turn out not to be at risk? It is an administrative nightmare.

Lord Wood of Anfield: Presumably there are some easier cases. For example, you will know the destination for the supermarkets in the north. We have heard about Bombardier parts going off to Canada. You would have thought that common sense would prevail for some portion of this, but you are implying that this is a bureaucratic system rather than a common-sense one.

Les Stracey: You are asking how you can help us. It will be by trying to get a common-sense process through the House of Commons, the House of Lords or whoever debates these issues.

Lord Wood of Anfield: I guess that ultimately, the EU will be the big driver of this, rather than the UK.

I have one more point, on unfettered access, which is the phrase being used. I will not ask you what you think about the promise of it, but how will you know if you have it? What counts for you as unfettered access? It is a misnomer anyway, because there were fetters galore even before Brexit. What is the criterion you would apply to be able to say, "That just about passes my unfettered access test"?

Les Stracey: For us it is simple: that the traffic flows through the port as quickly as it does today and there are no delays. The traffic should be as frictionless as it is today. That is what I would look for in unfettered access.

Pamela Dennison: It is about maintaining the status quo.

Maurice Bullick: Unfettered access would mean at the very least that there would be no physical process at the port; that is, no stopping and checking.

Lord Wood of Anfield: I am not trying to be too pernicky, but it is more about checks than it is about bureaucracy, although of course bureaucracy may lead to delays. There could be technological solutions to

the bureaucratic burdens which may not generate delays. It is the delays that are really the life-and-death issue.

Graham Keddie: You have to separate the two. The delays are important for us. As infrastructure operators we do not want delays; we want things to move quickly because the more time it takes, the more infrastructure you have to put in. Bear in mind that the bureaucratic side has a cost. We could end up with a double whammy in terms of competitiveness: not only can we not ship our goods through our ports and airports quickly enough; we also have to pay more for a lesser service. Those additional costs will have an impact on us. If you look at it from an air point of view, it would mean Amazon deliveries being flown in here and two or three more Royal Mail flights a year. Will the Royal Mail be checked? There's a question.

Lord Wood of Anfield: It is a very good question.

The Chair: That segues very nicely into Lord Cavendish.

Q22 **Lord Cavendish of Furness:** What simplified processes and systems, technological developments and new infrastructure will be required to make the protocol operational by the end of 2020? What will happen if they are not in place?

Les Stracey: We would say that if they are not in place, we would want the easements that are going to be put in place in the event of a no-deal scenario from the UK perspective to be reconsidered. It would mean postponing the submission of safety and security declarations and the introduction of various simplified transitional processes for customs declarations.

Lord Kerr of Kinlochard: The UK Government would be legally responsible under the treaty, so presumably they will be leaning on you.

Graham Keddie: If you do not mind me saying this, the UK Government pay for nothing. Bear in mind that unlike in the rest of Europe, the private operators tend to have to pay for everything, whether you are an airport, a port or whatever. Let us be honest: I suspect it would be put at our door to fix it, whether it be infrastructure or technology. It is difficult to define the technology until you know what the processes are, what the procedures are and what you are doing. The technology can be designed around whatever you wish, but ultimately it takes time and you have to know the processes before you can set up the technology to be able to do it. It is more than chicken and egg because the processes are the key. You design the technology around the processes.

Lord Kerr of Kinlochard: There will not be time for the normal consultative processes, so the more that you can steer them as to what you could do, what would be very difficult for you to do and what you could not do, the better.

Graham Keddie: That depends on whether people are listening.

Lord Kerr of Kinlochard: That is true.

Lord Wood of Anfield: The phrase “alternative arrangements” is the other great euphemism in this debate. There are those who live in the hope that technology can sort out all of these issues as well as many more. You are at the sharp end of a business which relies on technological solutions to the issues of delay, bureaucracy and cost reduction. This is a big question, but how much faith is it legitimate to put in to technology sorting these problems out within the next year or two? Is it pie in the sky or is it your sense that for your industry, with a bit of application, it is within reach?

Pamela Dennison: We have such a vast array of industry within logistics and transport in Northern Ireland. Everybody would have to take it up because that would be the only way it could work.

Lord Wood of Anfield: They would have to take it up as a common standard.

Pamela Dennison: Yes. Obviously, the large companies will invest in it first and see the advantage, but it will take a while before the investment bleeds down to the SMEs. That is my first observation. The second thing is that these guys around me are infrastructure-based in Northern Ireland, while we are hauliers that move throughout. Northern Ireland hauliers are in a very volatile area at the minute, so we not only have to wait and see what the Northern Ireland protocols are going to be and how they will affect our NI-GB east-west movements; we also have bases to offer an all-Ireland service. In addition, we will have to align with whatever EU rules and regulations are forced on us because that is what the withdrawal agreement says. I do not know if that is an opportunity. Possibly it is, but you could say that works both ways. We will have to align with the UK regulations as well as the EU ones, so we will have to invest in whatever legislation comes that way over the next year or two years.

Lord Wood of Anfield: You will have a double compliance problem.

Pamela Dennison: Yes, pretty much. On that basis, if the technology advances are only for the UK, you will find that the Northern Ireland hauliers will not invest in it because it will not be aligned with the EU regulations as well. We have much more to think about now.

Lord Wood of Anfield: I have a quick follow-up question on that. Have you found that the companies whose goods you transport are waking up to the new world? They may say, “Give us the detail and we will wake up”, but do you find they have an appetite for this or are they contracting out the anxiety to you rather than taking it on themselves?

Pamela Dennison: Yes, they pass the buck, as quick and as fast as they can. I remind them that this is not a haulier’s responsibility. They are all aware that, if I am fined, or if there are delays at the port come January, that cost will come straight back down the line. But then, as Graham

said, it makes it unfeasible, because that cost has to go somewhere. It will end up at the consumer's door and that makes it unfeasible to buy product in Northern Ireland, because no other part of the UK has to accept that financial burden for import and export. We have to be very careful about how we manage this moving forward.

Lord Cavendish of Furness: It is one thing to say that you cannot anticipate these technological developments but, pressing you a little further, is it your instinct that technology will play a large part in making the protocol workable?

Les Stracey: It has to, because the alternative is more and more physical and documentary checks, which requires infrastructure. We are running out of time to put systems and infrastructure in place, so there are significant challenges.

We operate across the North Sea as well as the Irish Sea, and the Dutch have been very good on the system requirements that we have developed. We have worked with them, but we certainly do not have the same certainty on what the process and the requirements are going to be elsewhere. As Graham said, the first step is that we really have to understand what the process will be.

The Chair: Is this a new system for post-Brexit customs processes going from the UK to the Netherlands?

Les Stracey: It is the Dutch system which, to a certain extent, was already there for trade from the rest of the world. They have basically just built on the container sector system and applied it to the ro-ro sector.

The Chair: When you send the pack of information that you kindly offered earlier, could you include a very short set of pointers on that system?

Les Stracey: I can certainly give some information.

The Chair: That is very kind. I am going to pass the buck to Lord Jay.

Q23 **Lord Jay of Ewelme:** To guide us to this wonderful new deregulated world that we are going to enter in due course, we will have the UK-EU joint committee, and underneath that, the specialised committee, and underneath that, the joint consultative working group. Do you think you will be able to make to them the points which you have made very forcefully to us? Are there mechanisms to allow you to do so, or are you working out how best to do that? Will you have to do it on your own or, as you were saying just now, with others? We do not yet know who will be working on these great committees, but how will they know about your concerns?

Pamela Dennison: Logistics is at the forefront of Brexit and these points need to be heard. Everybody here has an element of logistics involvement and we have to be the first port of call, in whatever guise.

That is very important, because we are ultimately the ones who will be at the coalface. I hope that that will happen and materialise.

Lord Jay of Ewelme: Will you take the initiative in saying to them, "Look, these are the things that really matter to us and which ultimately really matter to the economy of Northern Ireland. You really have to take this into account"?

Pamela Dennison: Very much so.

Les Stracey: I am not quite sure what the channels of communication to those committees will be, so I am not sure how that will work in practice. However, clearly, through the Chamber of Shipping et cetera, we will make sure that our message gets through to the UK Government. Then, if they can assist us with the channels of communication to the various committees, that will be fine. Hopefully, UK government Ministers and officials will take our list of big issues to these joint committees. Ultimately, unless they listen to us and our thinking, we know from experience that they will not get a workable solution.

Lord Jay of Ewelme: You know that, and we know that, but I am not completely convinced that they know that. So the question really is: are we sure that you will make certain that they do, if you see what I mean?

Graham Keddie: Can I turn that on its head? We are all businesspeople. Let us be honest: we do not have a lot of time to sit around talking to politicians. We lay it on the line in one-pagers or whatever to try to brief people, including civil servants. If they do not listen to us, there is very little we can do. The fundamentals of life are x, y and z: we have to be competitive in whatever environment we are in, but ultimately, if people are not prepared to listen to us, and they all have their ways and means, there is little room for us to influence these people.

Lord Jay of Ewelme: Having been a civil servant for quite a long time, I can say that certain businesses had pretty good ways of making you listen to them quite carefully.

Graham Keddie: If you are BP, British Airways or whatever, you would certainly be listened to, but if you are a small organisation in Northern Ireland, your chances of being listened to are a heck of a lot less.

Lord Jay of Ewelme: What about the consultative mechanisms that are being set up here, now, with the new Brexit committee, and so on? Do you think that will be an interim way in? Do you think that would be worth while?

Les Stracey: To be perfectly honest, we have had very little engagement with the Northern Ireland Executive so far because we have not had much time for that. I would hope that, as a major player in facilitating trade across the Irish Sea, they will listen to us and we will ask the British Ports Association and the UK Chamber of Shipping to help us open doors where we can. But I totally take Graham's point: we can knock on the door, but if people do not listen to us, it is very difficult. We will

communicate with Ministers and government officials to get the message across, but they have to listen and take action on what we are saying.

Lord Cavendish of Furness: Declaring an interest as someone who has been involved in small business, I have great sympathy with the notion that small businesses just do not have the time to linger around Whitehall putting across their point. That is something we can certainly take back.

Pamela Dennison: Northern Ireland is made up of SMEs, and family-run SMEs at that. I am here today but afterwards I will go straight back to the office to make up the time that I have lost. That is part and parcel of what it is.

Maurice Bullick: From our perspective, as Les has said, we will go through the industry associations and use them to try to get access to the people we need to contact. In addition, we will talk to the Department for Infrastructure here in Northern Ireland. Assuming that the Border Delivery Group will reactivate its Northern Ireland committee in due course, that will be a third mechanism by which we can make representations. I do not think we will be out there lobbying or anything like that, because we are running a business and we do not have a position on Brexit one way or the other, or the Northern Ireland protocol for that matter. We are simply here to find out how a practitioner will react to the rules once they have been defined. We are just interested in how we operate in the practical world.

The Chair: Thank you, and we will need to reflect on what you have said. We have spent the last month considering the word "fetter" in many ways. I thought that it might in fact be an irregular verb which runs something like this: I am friction free, you are light touch, he is fettered. That is rather a "Yes, Minister" joke.

You have made a number of points. Not only has everything been noted and recorded, but certainly your remarks have hit home on a number of points made in other sessions today. In closing, it would help us if each of you in turn could tell us what you feel is the one point we should step forward on in particular, knowing that we have an entire smorgasbord of things we could spend our time doing? What would be the most valuable thing for you?

Graham Keddie: It is clarity. Unless we have clarity and we know what is actually happening, we cannot plan and we cannot operate because we do not know what the processes are. The one thing is to get clarity on this. People use terms like "unfettered" and "light touch", but what do they mean? Ultimately, unless we get that, the people around this table and the rest of the people operating in the logistics business in the Province cannot say anything more. Without clarity, there will be nothing we can do.

The Chair: Does anyone have a different view?

Pamela Dennison: I do not have a different view, but I want to touch on two points: stop telling businesses what you think they want to hear and tell them exactly what is going to happen. I heard a good phrase from my colleague Seamus today: "Freight follows the path of least resistance." If we can keep that in the back of our minds, it follows on from the "unfettered" and the clarity issues.

Lord Jay of Ewelme: I have noted that phrase down too.

Maurice Bullick: I would agree about clarity for the simple reason that the more time we have to make our infrastructure plans and to put them in place, the better.

Les Stracey: The clear message here is clarity. What we want to achieve with that clarity is being as frictionless as possible. I know that the Chancellor of the Duchy of Lancaster has stopped using the term "frictionless" and is now saying that there will be friction, so we accept that there is going to be some, but that friction should be made as little as possible. Clarity must lead to the most frictionless travel possible through our ports and on our ships.

The Chair: With that, thank you all very much for coming along this afternoon.