



Select Committee on the European Union

Sub-Committee on Energy and Environment

Corrected oral evidence: Access to UK Fisheries

Wednesday 4 March 2020

10.00 am

Watch the meeting

Members present: Lord Teverson (The Chair); Baroness Bryan of Partick; Baroness Byford; Lord Cameron of Dillington; Lord Kerr of Kinlochard; Lord Maxton; Baroness McIntosh of Pickering; The Earl of Stair; Lord Young of Norwood Green.

Evidence Session No. 4

Heard in Public

Questions 26 - 36

Witnesses

[I](#): The Rt Hon George Eustice MP, Secretary of State for Environment, Food and Rural Affairs; Neil Hornby, Director of Marine and Fisheries, Defra.

Examination of witnesses

George Eustice MP and Neil Hornby.

Q26 **The Chair:** Welcome to this public session. I start by asking Members to declare any interests they have. I am co-chair of the Cornwall and Isles of Scilly Local Nature Partnership, which has some relevance to marine issues. The session is televised; it is obviously a public session. We are taking a transcript and will reproduce it, so that our witnesses can see whether anything in it is not correct. We welcome Mr Eustice and congratulate him—as a Committee—on his appointment, since we last had him, to be the Secretary of State. I am sure we are delighted that there is someone at the top of the fisheries side who understands the industry. We very much congratulate you on that appointment. This is the third session in our inquiry on the future and negotiations of fisheries between the UK and the EU. I also welcome Mr Hornby to the Committee. Can you briefly introduce yourselves before we start the questions?

George Eustice: I am the Secretary of State at Defra.

Neil Hornby: I am director of Marine and Fisheries at Defra.

Q27 **The Chair:** Perhaps I could start with a broad question about what we are aiming for in our negotiations with the EU in the fisheries area post Brexit. We are now post Brexit and the end of the transition period is the end of this year, so that is nine months away. The intention of both parties is to reach an agreement by 1 July. That is quite a timetable so it would be good to understand what we are trying to achieve.

George Eustice: In essence, we want to be like Norway. We know what independent coastal states look like; Norway is a good example. We are seeking to agree a partnership agreement with the European Union by July, which sets out the principles on how we will conduct those annual negotiations. They will continue to happen as they do now between the EU and Norway. We want to establish the basis on which we will work in a neighbourly way with the European Union. The partnership agreement is what would set that out. Sometimes people say that that is ambitious and a lot to agree, but we already know the key elements of the EU-Norway partnership agreement and have already published some proposals in this regard.

The Chair: Secretary of State, will you be personally involved in this area? Who will be representing in this part of the negotiations, which are key and will have a high public profile?

George Eustice: David Frost is the chief negotiator and working very closely with the Prime Minister, who will take overall lead on those negotiations. On some of the technical issues the approach will be that our officials at Defra such as Neil, who is here, and Nigel Gooding, will lead on the technical development of that partnership agreement.

The Chair: The last part of this introductory question—the €64,000 question—is: are you optimistic that we will get there by 1 July, and that

we will have an agreement that everyone will be pretty happy with?

George Eustice: I am optimistic because it is important to be optimistic in all circumstances. The other point is that the legal baseline is set out in UNCLOS and if it were the case that a partnership agreement could not be concluded by July, under international law it would be the case in any event that we would automatically become an independent coastal state. We would automatically take back control of our exclusive economic zone and there would be an obligation on both us and the European Union to work towards a sensible annual negotiation at the end of this year. So the contours of the legal baseline, which is UNCLOS, support the type of partnership agreement that we are proposing.

The Chair: So we have all the cards in our hands?

George Eustice: Access is a powerful card, in that under EU law we are currently only entitled to catch around half the fish that are in our waters. When we leave the European Union, we will take full control of that resource and it will be for us to decide who can access our waters and on what terms.

Q28 **Lord Cameron of Dillington:** I was wondering how detailed you thought the fisheries negotiations and agreements must be. You mentioned Norway. They have a six-year framework with annual negotiations. Are we aiming for a similar structure when we negotiate? How much of a priority is it to have an annual agreement, as that seems to be a red rag to a bull for the EU negotiators, or their public position anyway?

George Eustice: There always have to be annual agreements on fisheries, simply because one of the key determinants in setting the total allowable catch for any given stock is up-to-date science. Even within a partnership agreement, you still have to have an annual negotiation. The question becomes how possible it would be to have a multiannual agreement spanning several years that would lead to joint management plans for a particular stock in the longer term. There are precedents for that, so that may develop. It may not be possible to agree and ascertain that as quickly as July but it is possible that it could evolve at some point afterwards.

Lord Cameron of Dillington: Are you saying that an annual agreement is a pretty good priority in our negotiating position?

George Eustice: An annual agreement is inevitable. There is still an annual agreement between the EU and Norway, for example, notwithstanding their partnership agreement, because you have to set the total allowable catch on an annual basis. So even if there were to be some multiannual agreement on how sharing arrangements might evolve or, for instance, on access—there are precedents for these sorts of things—you still, at the very least, need an annual negotiation to discuss the science.

Lord Cameron of Dillington: When it comes to annual quotas, do you envisage quota swaps as at present between British and European boats and co-operatives or syndicates?

George Eustice: No: in essence, when you become an independent coastal state you have to settle all those issues up front. It is the case that under the Common Fisheries Policy we have this rather odd situation where the sharing arrangement is set in concrete based on what happened in the late 1970s, which does not bear much resemblance to where fish stocks are in the modern world or what a fair sharing arrangement would be. To try to make sense of an outdated and unscientific sharing arrangement, we allow these swaps to take place between Member State and Member State and between producer organisations. That international swap within year would not be available when we become an independent coastal state because that is a feature of the Common Fisheries Policy.

The Chair: So are we absolutely excluding the possibility of quota swaps between the UK and EU Member States?

George Eustice: Neil might correct me, but I think it is provided for under the Common Fisheries Policy; it is not a feature of arrangements between the EU and Norway or even the EU and the Faroes. These matters are settled up front on an annual basis.

The Chair: Does that get in the way of issues such as all the chokes? In the Norway agreement there are pelagic fisheries. They are single fisheries and that is fairly straightforward. In western waters that is not the case. Are quota swaps not quite important to UK fisheries in the south-west?

George Eustice: They are only important because we do not get a fair share of the fish that are in our waters. Where we have problems with choke species, for example in the Celtic Sea and the far south-west, the issue is that France has approximately five times more in its cod and haddock quotas than fishermen in Cornwall do. That means that it presents itself as a choke species early on; they therefore have to swap other species to try to get that quota, if they are able to get it at all. The problem of choke is a feature of the outdated nature of relative stability. We need to address these issues up front. Choke issues can generally be predicted a year in advance. They do not take us by surprise. The problem is that the rigid nature of relative stability means that there is not an easy solution to those sorts of problems.

Lord Cameron of Dillington: Do you envisage fisheries being within the remit of any of the specialised committees established under Article 165 of the Withdrawal Agreement and, if so, who do you anticipate being the relevant UK representatives?

George Eustice: We do not see fisheries being covered by those particular committees. We see it as a separate negotiation, first to get that partnership agreement and then obviously as an independent coastal state at the end of the year.

Baroness McIntosh of Pickering: Congratulations, Secretary of State. You set out the legal basis as we see it in the United Kingdom. What legal basis has the European Union set out for the purposes of the negotiations on the fisheries deal?

George Eustice: It is fair to say that the European Union and the European Commission know what an independent coastal state is. They conduct annual negotiations with Norway and the Faroe Islands; they get engaged in discussions with countries such as Iceland as well. So they understand what it means to be an independent coastal state and the international law in this area. The position that the EU has set out to date reflects not a legal position but the political position of some Member States, which is that they would like to continue to enjoy their current privileges and access without that changing in any material way. That is not a legal ask; it is a political ask.

Q29 **Baroness McIntosh of Pickering:** Is it fair to say that there is no legal clarity as to what the legal basis for the two negotiating parties is? We have heard that the fisheries committee of the European Parliament concluded that there is "potential for conflict and chaos". In the event of that and no fisheries deal being reached, what would the consequences be for the UK fisheries industry?

George Eustice: I do not see why that would happen because we are not asking for something extraordinary. We are simply saying that we would like to become an independent coastal state, such as Norway already is. I do not think that there is any confusion about what it means to be an independent coastal state. Under UNCLOS, it is clear that we have responsibility for our exclusive economic zone and can determine who has access and on what terms. It is the case that UNCLOS says that you should have some regard for historic access that there might have been, but it is not a right. It is simply that you should have regard, in a neighbourly way, for access that might have gone before. The legal position is clear as set out in UNCLOS. Indeed, UNCLOS and this particular feature about the exclusive economic zone was largely developed after the UK's defeat in the third cod war in 1976. Paradoxically, we are asking only for what we conceded after the end of the third cod war.

Baroness McIntosh of Pickering: What is the current legal position domestically with the devolved Assemblies and Parliaments? Have the framework agreements come into effect? Specifically, on the rollover agreement that the UK agreed with the Faroe Islands, in which fisheries had a large input on imports into the United Kingdom, were the Scottish Government and Scottish Parliament consulted on that agreement?

George Eustice: When we do annual negotiations currently within the EU, and in future when we take our own seat at the table to do a UK-Faroe Islands agreement, we have an approach that we have developed over many years at the December European Council where we take a UK delegation. Fergus Ewing, Lesley Griffiths and representatives from Northern Ireland attend and are part of that delegation. They contribute in the formal trilaterals that we have with the presidency and the Commission. When we formulate our negotiating position, we engage very closely with the Scottish Government.

Baroness McIntosh of Pickering: Have the framework agreements come into effect, one of which relates specifically to fisheries?

George Eustice: Which partnership agreement do you mean?

Baroness McIntosh of Pickering: The framework agreement was narrowed down to 24 framework agreements. I think one relates to fisheries and another to agriculture. Have they come into effect?

Neil Hornby: The Fisheries Bill, which is before the House of Lords today, is a key part of that UK fisheries framework. It sets out other elements of that, such as the joint fisheries statement which will flow from it, but the Bill is the key part of that.

George Eustice: The joint fisheries statement will be developed by consensus. It requires all of the Administrations to agree it. It is more than a consultation; it is a joint approach designed by consensus.

The Chair: We will come on to more information about devolution later on. What are the chances of getting a deal, or of getting to no deal? Can you give it a probability?

George Eustice: The political declaration should be treated as a heads of terms for an agreement and we have subsequently set out our approach to that EU negotiation. There is recognition that in the last Parliament the previous Government were probably asking for things that were unpalatable and difficult for the European Union. There is a clarity of purpose now in our approach, which is to say we recognise that if we want to have full autonomy as a country and be able to make our own laws it will entail an agreement closer to the Canada agreement than some others that have been mooted. It means that there will be some friction at the border: there will probably be a need for export health certificates and catch certificates, for instance. That is a consequence of making a decision to become an independent country. But we are clear as a Government that that is what we want to be. If it is a choice between alignment with the EU or autonomy, we are choosing autonomy. There is a clarity of purpose there, which makes it possible for us to negotiate sensibly with the EU since it has always said that it is willing to do a Canada-style agreement. That would be relatively straightforward.

Baroness Byford: To follow up on your last comment, it has been expressed to us while we have taken evidence from witnesses that some of our current fishing rights might be traded away within the Trade Bill. I would be glad for clarification on how you see that possibility—or not—and, if so, what is being done about it.

George Eustice: We do not see that as a possibility because they are separate things. There will be a trade negotiation where we will seek access to the EU market, in particular for shellfish, where we export quite a lot, but also for other sectors such as lamb and barley in the agri-food sector. The EU correspondingly will seek access for Irish beef, Danish bacon, Dutch poultry, fresh produce from Spain and France and so on. There will be a mutual exchange of opportunities in any free trade agreement. Obviously, we are aiming for zero/zero on all tariffs; that is in the political declaration. How we manage a fisheries resource in a shared way on some stocks where

you have straddling stocks is a matter for a fisheries agreement. There is no precedent for linking a trade deal in the round with sacrificing or forfeiting your rights as an independent coastal state.

Baroness Byford: I was thinking in wider terms of it being traded away with other aspects, not just fishing.

George Eustice: The Prime Minister has been clear on this: the starting and finishing points of our negotiations are that we will be an independent coastal state in control of that access. He has ruled out using fishing, as some have suggested, as some sort of bargaining chip for something else.

Q30 **Lord Kerr of Kinlochard:** The Council of the European Union in its decision links the question of access to our waters and our access to their market for fish products closely. The sinister paragraph, from your point of view, is paragraph 90 that says: "The terms on access to waters and quota shares", that is our waters and quota shares for their fleet, "shall guide the conditions set out in regard to other aspects of the economic part of the envisaged partnership, in particular access conditions under the free trade area." It follows that they are saying that if you reduce access to UK waters for EU fleets, they envisage reduced access to EU markets for UK fish products. Do you intend to reduce their access to UK waters?

George Eustice: What we intend to do, as set out in the White Paper that we published some time ago, is to make access to our waters conditional on a move to a more scientific sharing arrangement. We set out in our White Paper that zonal attachment is a modern scientific basis to share stocks; that should be the starting point for any future sharing arrangement. There will be areas where we will also reduce their access. We gave notice to leave the London Fisheries Convention for a reason, which is because we want to reduce fishing pressure from foreign vessels in the six to 12-mile zone. We want that to be reserved predominantly for our own fishing vessels. Yes, there will be some change to access arrangements. We are seeking a sensible agreement on access and sharing arrangements and a way of working in the future.

Lord Kerr of Kinlochard: Does it involve reduced access for EU fleets? That is what the industry is asking for. The evidence we have taken from the industry is that the most desirable feature of Brexit is to keep foreign fleets out of our waters or to reduce the extent to which they fish in them. Is it your intention to reduce EU fleets' access to UK waters?

George Eustice: There will be some reduction in access, as I said, not least in the six to 12-mile zone, which is important. The honest answer is it is too early to say what access we would grant, since that will be settled in the annual negotiation. It will largely depend, as well, on what may or may not be agreed by way of sharing arrangements.

Lord Kerr of Kinlochard: But what you have been saying to the fisheries community, and what members of the Government have been saying in fishing areas of the country, is that taking back control will mean reducing foreign access to our waters. Assuming that does happen, do you think it

will be as easy for you to physically restrict their access to our waters as it will be for, say, French fishermen at Boulogne to restrict our access to their markets for our fish products? We know from history that it is extremely easy to blockade the ports of Boulogne and Calais, but Boulogne is more important. Will it be as easy to control access to our waters for EU fishing fleets in the event of no deal?

The Chair: We are going to come on to enforcement later, but do you want to answer that question without going too much into the detail on enforcement?

George Eustice: It is important to recognise that we already do the enforcement in our waters around parts of our coast. The EU does not have any enforcement capabilities. For instance, in the North Sea and around the Scottish coast we already enforce requirements on Faroese vessels about the proportion of their catch that can be caught in UK waters. We have established procedures for managing access arrangements already and we enforce those on certain parts of the fleet, notably with countries such as the Faroe Islands and Norway.

I mentioned the cod wars earlier. The real lesson from history is that it is ultimately easier to manage access to your waters than to threaten trade embargoes and the like to force a country to do something that it does not want to do. We tried to put a trade embargo on Icelandic fish and that did not work because they found alternative markets. The Royal Navy also found it very difficult to try to enforce some sort of notion of a historic access right. A far less powerful coastguard in Iceland found it relatively easy to police access to their waters.

Lord Kerr of Kinlochard: I very much agree, Secretary of State. That was where I was going with my question. I was trying to test your optimism. It is sometimes argued that the fisheries card is one of the strongest cards in our hand. I am not sure about that, given that we export so much of our catch and that the fish processing industry is as economically important as the fleet. Access to the market is quite easy to obstruct in the event of no deal, which is why I wanted to see how optimistic you were. Do you think there is any possibility that a financial arrangement is the answer to this? The European Union pays for access to Greenland's waters. Have you thought about that as a way to get round this rather nasty crush?

George Eustice: I understand your point. The way I have always put it is that as an independent coastal state, given the resources that are in our waters, we have a very strong hand. Controlling access to our waters is a very powerful card. In a British way, we will play that strong hand in a gracious and diplomatic fashion, as we always do. I know that people are keen to leap to conclusions that there is going to be confrontation and conflict, but I do not think that need be necessary. It is quite possible that we can come to a sensible arrangement, but we are clear that we will be an independent coastal state controlling access to our waters.

The Chair: Do we need to get real here, because is there not a snowball

in hell's chance that the other side will not tie up the access to fisheries in the UK EEZ with the trade negotiation? They are bound to do it; they have said they are going to do it. It is great to hear whatever the Prime Minister says and we might all agree with him, but he is half the equation and the other side is saying, "Those are not the rules of the game as we see it".

George Eustice: Some Member States have taken a particular position, but I think that the European Commission wants these negotiations to get under way. It understands what an independent coastal state is and will, I think, be realistic about what a sensible settlement looks like.

The Chair: Do you think that we are going to find a rule that we did not find in the Withdrawal Agreement?

George Eustice: I would not put it that way, but the Member States that are dependent on access to our waters are France—the Normandy fleet has quite a lot of access—Ireland and, to a lesser extent, the Netherlands and Belgium. After that, many other Member States do not really have any access to our waters or stocks. It would be quite a big ask of countries such as Italy and Germany, which do not benefit from access to UK waters, to say we are going to jeopardise a trade deal on all those important industrial goods that for which they do seek access to the UK market. I am not sure it is sustainable for the EU to hold to the position that some Member States have been articulating.

The Chairman: The last time I looked, France was quite influential in the European Union. Here is just one other scenario, briefly. Maybe it is solved by the French, Spanish and Dutch industries just the way it is these days in that we keep our zonal attachment full rights and they just buy the ships and the quotas that are UK flagged. That is how it has been done traditionally. Why would that not happen again?

George Eustice: We are also reviewing the economic link, with a view to strengthening it, to ensure that those foreign-owned UK-flagged vessels are required to leave more of their catch in UK ports and return more economic benefit to the UK. We are reviewing that and we think that is the answer on that front. In future, any foreign company that wanted to buy vessels in the UK might well be able to but it would be subject to that new condition. It would also require there to be a willing seller. If we are creating new opportunities for our own fleet and allocating additional quotas in a different way, which we also set out in our White Paper, you are less likely to see that kind of purchase of vessels.

The Chair: I would have thought the share value was going up under Brexit, so that it would be good value to sell out.

Q31 **Baroness Byford:** I would like to move on to the remote electronic monitoring systems. Over the weeks we have heard concerns about the amount of discards that are going on, particularly in the mixed fishing sector, and also about being able to assess what our stocks are if they have not all been landed. We believe that remote electronic monitoring is a good idea. Is it your intention that any vessel that is to fish in the future in our

waters would be required, whether owned here or overseas, to have that system on the vessel?

George Eustice: We have made no final decision on that, but the White Paper sets out our view that it is probably the right way to go. We have been strong advocates of fully documented fisheries and have run such schemes for a long time. Remote electronic monitoring is the most effective way to monitor what is happening with catches. The Fisheries Bill provides powers for us to be able to require that. It provides us with the powers to require that of foreign vessels seeking access to our waters.

The Bill also sets out some important proposals to make the so-called landing obligation work in practice, as well as in theory. There is a challenge at the moment: there is no easy answer to how you manage the choke species we have, so we need to develop bycatch provisions and a methodology that enables fishermen to create a powerful disincentive for fishermen to target vulnerable stocks but enables them to honestly land that stock if they accidentally encountered it and could not avoid it. That is why we are introducing the concept of a super levy, as it were, on out-of-quota stocks that would enable fishermen to land that stock where there is no economic value to them in it. That is quite an important step forward to make the principles behind the landing obligation, which are obviously right, work in practice.

Baroness Byford: Do you imagine that being there as of day one or is it something to which one would aspire in future years?

George Eustice: I do not envisage that we will be able to introduce such a scheme by January as we will have quite a lot of change going on. We would want to work it up with the devolved administrations as well to get a joint UK position. I see it being reflected in the joint fisheries statement and developed thereafter. It is also the case that, in our annual negotiations, we would need to signal in advance that at a future year we were likely to acquire this as a condition of access to give other countries time to adjust and invest in whatever technology they would need.

Baroness Byford: Presumably, therefore, the timetable is very flexible on it because of the reality of vessels having to have that equipment on board.

George Eustice: Yes, we have not set that timescale yet. I am very anxious about setting a date and then being told it is much more difficult than that, for perfectly legitimate reasons. It is there in our White Paper. It is the right direction of travel, but it is too early to say exactly when we might do that.

Lord Young of Norwood Green: I read somewhere that Norway was allowed to catch more, with the qualification that it had to use the most technical selective gear and nets. Will that be a requirement in addition to REM?

George Eustice: Yes, that is already a feature of fisheries regulation more generally and has been for some years. A section in the Bill gives us the powers to change that so-called technical conservation body of regulation—

changing mesh sizes or gear types, having closures in certain areas where you have nursery grounds for juvenile stocks and so on. That is already a big feature of our agreement and increasingly—the December Council was an example—where we have vulnerable stocks such as cod, technical conservation measures as part of an international agreement have started to become a more common feature recently, having gone out of fashion for some time.

Lord Young of Norwood Green: Will we be attempting to enforce that over a period? Will it be a phased approach? There is a cost to introducing this, is there not?

George Eustice: Yes. In the past we have had the EMFF fund, which is a European fund. We will be replacing that with a domestic fund that supports some of these objectives. One of the big areas of spending for that fund is on more selective gear types.

Q32 **Baroness Byford:** Two things are important for the future. One is obviously the monitoring, which we referred to earlier. The other is the enforcement of the ways in which the fisheries policy will work in future. Are you content with what is planned for the landing of catches and how will the enforcement measures be financed? They are two separate issues, but very important.

George Eustice: I might ask Neil to come in on the detail on this. We have significantly increased our enforcement capabilities. The Royal Navy introduced three new offshore patrol vessels, but a decision was taken not to decommission the old ones so that there was additional capacity there. We have also taken on extra capacity from the private sector to give us extra vessels and launched the new Joint Maritime Operations Coordination Centre, together with Border Force and the coastguard, so that we can make better co-ordinated use of our various assets.

The Home Office, for instance, has four cutter vessels that are suitable for some fisheries patrol work and we have trained some of its staff to become warranted fisheries officers. We have trained a significant number—around 50, the last time I saw—of new fisheries protection officers to support us in this work.¹ We have also taken out an aerial surveillance contract. We have increased it substantially and we think that that is sufficient, but I might ask Neil if there is anything further to add.

Neil Hornby: That is right in terms of strengthening our capacity and capability to enforce. The other thing we have brought in is that vessels fishing in our waters will require a specific licence. This includes EU vessels or others that we may permit access to; they will need a licence from UK authorities to fish here. Those licences will have a number of conditions attached to them, which is one of the ways we could require other vessels to comply with certain rules that we might want. That provides something to enforce against if vessels are picked up for not following those

¹ Mr Eustice subsequently clarified that Defra has increased the number of new fisheries protection officers by 50% (35 people) in 2019/20.

conditions. It is a method that we use now for our own vessels but one we can extend to other vessels coming into our waters.

Baroness Byford: Can I return to the cost angle of it? You mentioned several aspects of governance or taking part within the whole umbrella. Who finances what and what is happening on that front?

Neil Hornby: We have been fortunate that the Treasury has given Defra additional funding to support its EU exit work, including in this area, which has allowed us to strengthen that capability in our enforcement. We will have those discussions with it as part of the spending review for a future settlement on that. But this is clearly a function that is returning to the UK, as part of us leaving the EU, which we now need to support and finance.

Baroness Byford: How much has been allocated?

Neil Hornby: Defra has always had about £400 million allocated to it to support its exit work. Within that, we are spending on a range of things including this enforcement capability.

Baroness Byford: It would be helpful if, perhaps on another occasion, you could give us a better breakdown.

Neil Hornby: Yes, we can do that.

The Chair: What is perhaps concerning about that answer is that this is about part of the withdrawal process. Is that budget going to be permanent or will it just be there until the end of next year? Will it then go back to the original Defra budget levels? What is your agreement with the Treasury?

George Eustice: The increase in capacity that we have already funded and made available has come out of our EU exit fund. That was predominantly about preparing initially for exit and also for—to use old parlance—the possibility of a so-called no-deal Brexit, which was countenanced last March and in October. What is now recognised and will be dealt with through the spending review work is that once we have left, there will be some ongoing costs. For instance, some of those will be personnel to do border inspection on certain things if we are going to have export health certificates and that is to be reciprocal. Some new, additional costs will need to be reflected in the baseline on an ongoing basis. There will probably need to be that expansion—a continued higher level of enforcement capacity—especially if the access agreements have certain complexities in their nature and need additional monitoring.

The Chair: So you are going to have to keep knocking on the door of the Treasury to make sure that our waters and fish stocks are protected.

George Eustice: The Treasury has been very supportive, as has the whole of government to date, on the importance of our fishing industry and making sure that, as we become an independent coastal state, we are able to credibly enforce the provisions that we put in place.

The Chair: We are very aware in this Committee that Defra is always one

of the departments under pressure from budget cuts.

Q33 The Earl of Stair: That was the broad strand of what I was going to ask you. The words that we heard earlier this morning were “conflict and chaos”. Some concerns have also been raised as to whether the devolved administrations and, indeed, the United Kingdom will actually have the resources either through administration or the finance to support this. Is there a back-up plan? I heard what you have just said about the Treasury but is there a back-up plan—an alternative—if things do not go as smoothly as planned? Do you have plans to expand the protection vessels if necessary? How flexible are the Government being in policing our waters in terms of finance and ships?

George Eustice: The increase we put in place—the MMO judged it to be a five-fold increase in our enforcement capacity—is significant in the round. It was done on the basis that we might have had to countenance the notion of a no-deal exit. It was built on that basis. We are not remotely now in the place of a no-deal Brexit. We have a deal; it is called the Withdrawal Agreement. International law is clear that there will be a new baseline and annual negotiations, as an independent coastal state going forward. After the Withdrawal Agreement was passed and agreed, there is a great deal more clarity about what will pertain going forward. The capacity we have in place was put there for what was potentially quite a difficult situation.

The Earl of Stair: You mentioned a five-fold increase. My question is aimed along the lines that five-fold is not enough. Have you got any leeway?

Neil Hornby: That is the resource that will be dedicated to fisheries protection and then, as the Secretary of State was saying earlier, through the Joint Maritime Operations Coordination Centre, we can draw on other capability that is out there that may not be dedicated to fisheries activity should we need it. That is through Border Force vessels or other Navy vessels. They may not be full-time on fisheries, but if there was a need for them we could draw on that resource in those sorts of situations.

The Earl of Stair: So there will not be a decrease.

Neil Hornby: No.

The Chair: This is a supplementary question, which I think is important as we would like to understand this. Given that we are, as you say, an independent coastal state now, we are still going to have some landing access for British vessels in European Union or foreign ports. How does the enforcement regime work with that? A lot of work on enforcement is obviously done at landings—at portside or quayside. How do we get around that now, because presumably the communications processes that we had before will not be there?

Neil Hornby: This is another key part of the agreement with the EU. In that scenario, we would assume that we have an agreement and therefore are working together in partnership to manage our fisheries. A key part of that agreement will be sharing that sort of information and data, and

having co-operation on enforcement issues. We have highlighted that in our mandate, as has the EU; it is keen to see co-operation continue on things such as enforcement, data and science. We would hope that will be a key part of the future relationship.

George Eustice: It is already in the case of Norway, for instance. There are British vessels, particularly some of the pelagic vessels, which land in Norwegian ports and there are well-established mechanisms for sharing that information.

Lord Kerr of Kinlochard: Do you envisage that your people will be on the quayside at Boulogne, monitoring landings?

Neil Hornby: No.

Lord Kerr of Kinlochard: Do you envisage that your people will in some way be able to prevent a couple of fishing boats from blocking the port of Boulogne?

Neil Hornby: If there were to be blockades of ports in France, the French authorities would be expected to deal with them, be it at Calais, Boulogne or others.

Lord Kerr of Kinlochard: They have found some difficulty in doing that, either politically or practically, in the past. It is possible that if we were in a deadlock, on this nexus of access to waters versus access to markets, the authorities might not be devoting tremendous political effort to clearing the ports. What happens then?

Neil Hornby: Some of our vessels may land in Boulogne but it is not something they completely rely on. If it were the case that vessels were not able to land in Boulogne, there would be other places they could land. They could land back in the UK, so we would not see that as a significant impact on our industry. If wider issues at Calais or somewhere else were more serious widely for the UK, I do not think that the French authorities would want to see that happen, so they would work hard to resolve that.

Lord Kerr of Kinlochard: But if the port of Boulogne was blockaded it would not be the fishing industry that would suffer; it would be British exports. We would see Dover blocked and have Operation Stack, and all that stuff. What is the economic value of this sector to the UK? What proportion of our GDP are we talking about? Is it 0.1% or 0.2%?

Neil Hornby: It is small. It is less than 1% overall of GDP but it is clearly very important to particular communities around the coast.

Lord Kerr of Kinlochard: Is it not pretty heavily concentrated in a limited number of companies?

The Chair: We need to get through some of the other questions, Lord Kerr, if you do not mind.

Q34 **Lord Cameron of Dillington:** I want to test the art of the possible vis-à-

vis zonal attachment. Clearly, the EU is terrified of letting go of the skirts of relative stability because it will blow up a can of worms from the Black Sea to the Baltic. Also, nobody necessarily has the data in order to apply zonal attachment. It is going to take some time before both sides have that sort of data. What are the possibilities of getting zonal attachment in place and how long will it take?

George Eustice: We have some data. As always in fisheries, there can be more data than you would want, but it is already the case that when there are mackerel negotiations with coastal states, for instance, the notion of zonal attachment—in other words, where the fish reside—becomes a feature of those debates and discussions. It has been for some time. Also, until a few years ago—more specifically, until the referendum result—the EU supported zonal attachment in the North Sea for the management of some of the pelagic stocks because, while the UK was there, it recognised that it was in the EU's interests. It slightly stepped back from that position after the 2016 referendum. Other coastal states, in particular the Faroe Islands and Norway, also recognise that zonal attachment is the modern scientific methodology to deploy when sharing stocks.

In our White Paper, we published a detailed stock-by-stock analysis of what zonal attachment would mean, based on the evidence and the understanding we have now. I am reasonably confident. With anything in fisheries decision-making, whether it is the size of the total allowable catch or sharing methodology, people can always say, "There are evidence gaps, so we need a bit more of this or that". But you have to take timely decisions in fisheries and in the cold light of day zonal attachment is a logical method to use as a sharing arrangement whereas relative stability, based as it is on a few sales notes from the 1970s and then set in concrete, makes no sense at all for the long term.

Neil Hornby: We are not just starting now on this. We have been working very hard on it since 2016, knowing that we would need to collect the evidence to support it. Our world-leading scientists at Cefas have been doing a lot of work on this and, as the Secretary of State said, we published some of that last year in the annexes to the fisheries White Paper to show some of that work. We feel confident in the methodology, and in the data and evidence that we have to support that discussion.

The Chair: We will move on to devolution.

Baroness McIntosh of Pickering: I have just one question before I hand over to my colleague. You did not reply, Secretary of State, on the question of the EU-Faroese agreement which sees £200 million of fish being imported into the UK. Were the Scottish Parliament and the Scottish Government consulted on that?

George Eustice: A lot of those agreements were done very quickly and it was about continuity. I am not sure about the specifics, but Scottish officials were probably engaged in all those discussions.

Baroness McIntosh of Pickering: It is a probability but you do not know

for sure.

George Eustice: I can find out exactly what engagement took place on that specific trade deal but there was a plethora of them. From memory, in Defra alone we were seeking a roll over on some 30 or so of those third-country trade deals. I can check what engagement took place but it would mostly have been at an official level.

Q35 **Lord Young of Norwood Green:** You have probably covered this already but I will pose the question again. What will be the process for securing an agreement from all devolved nations regarding the fisheries negotiations between now and 1 July? You have given us some indication on that. Will the devolved Governments be in the room for the negotiations with the EU?

George Eustice: When it comes to the partnership agreement, there will be a lot of close working between our officials in Neil Hornby's team and officials in the Scottish Government about the approach we take. There will be close engagement with all the devolved administrations on developing the future partnership agreement, or free trade agreement, and the fisheries agreement. But it is a UK-reserved competence: it is important to recognise that this international negotiation is a UK-reserved matter.

When it comes to the annual negotiations, we have a well-established approach for engaging each part of the UK. Their Ministers attend some parts of those negotiations; more likely in future, their key officials will attend the negotiating delegation with UK officials. Those agreements, as now, are still reserved. They are international agreements but we have worked out good ways of involving the devolved administrations in a direct way in those annual fisheries negotiations.

Baroness McIntosh of Pickering: You say it is a reserved matter. We were told after Second Reading that the Joint Ministerial Committee has not scrutinised the Fisheries Bill. At what point do you expect the Scottish Parliament to give consent to the negotiations on which you are embarking?

George Eustice: Do you mean consent to the Bill or the negotiations?

Baroness McIntosh of Pickering: To the negotiations themselves.

George Eustice: On the negotiations—the future partnership agreement—we will be engaging with and consulting the devolved administrations, including the Scottish Government because they have quite an interest in it, but their consent technically is not required because it is a UK-reserved matter. As I said, we have in our constitution clarity about things being either devolved or reserved. International negotiations are reserved but that does not stop us, as we do, from engaging them closely in what we are proposing.

Baroness McIntosh of Pickering: Do we know what the state of play is for the Scottish Government on this?

George Eustice: There is a specific issue. I do not think they have decided yet whether to have a legislative consent Motion on the Fisheries Bill, largely because they have taken as a political point of principle that they will not support so-called Brexit Bills more generally. Having said that, although the Scottish Government have taken that political position, they recognise that to become an independent coastal state the powers that are in the Bill are broadly what we would need. Although they have not given it a legislative consent Motion, their officials have been actively engaged in the development of the Bill.

Neil Hornby: We also included a number of specific things in the Bill at their request.

The Chair: Just to be clear, the Scottish fishing industry is the largest in the UK. Will the devolved administrations be in the room when an agreement with the EU is negotiated?

George Eustice: On the annual negotiations?

The Chair: In both. In the actual negotiation that David Frost is undertaking and, yes, the annual reviews.

George Eustice: On the former, this is a reserved UK matter so we will be actively engaging the devolved administrations in what we propose, sharing the draft legal texts and some of the fisheries elements of it with them. It is a reserved matter so they will not be specifically in the room per se, nor will they have a veto on it. Neither will their consent be required under our constitutional arrangement. When it comes to the annual negotiations, we have a long-established convention on fisheries that in those negotiations we take representatives from the devolved administrations with us and they form part of our delegation.

Q36 **The Chairman:** Thank you for that clarity. Moving on to the last area, as we have seen from the Fisheries Bill in some ways it is going to be quite a process just to co-ordinate between UK nations or devolved nations on fisheries policy. But, as we all know, fish stocks move around and it requires co-operation to make sure that we have maximum sustainable yield or a healthy marine environment. How do we make sure that, under new arrangements, we do not just have an annual agreement on taking or dividing up stocks but are able to plan regionally and jointly—not just within the UK but with other coastal states? How do we make sure that we get the right solution for everybody and protect these fish stocks for the fishing industry in the long term?

George Eustice: In the latest iteration of the Fisheries Bill we describe having a management plan for each stock, which sets out how we intend to move that stock towards MSY. That will inform our approach and our stance in annual negotiations with neighbours.

The other thing that we set out in our White Paper is that the fisheries negotiations will not just be about who gets what slice of the cake and who gets what access. We are also quite explicit in saying that we will look to attach conditions around sustainable fishing. That could involve requiring

vessels coming into our waters to have cameras on their vessels. It could require them to avoid particular areas or use a particular type of gear. We can use the strength that we have through that access card to require more sustainable fishing from other countries. We do not have that now because the extent of our power is how far QMV goes and our art of persuasion around the EU Council. We will have a more direct way to require sustainable fishing, which could be quite powerful.

Finally, we would see the joint fisheries statement as the place to pick up that kind of UK-wide co-ordination. As I have said before, there is a tension in fisheries policy in that on one level the management of fisheries is devolved, but on the other a great deal of fisheries policy depends on international negotiation and it will continue to do so. So you have this tension between things being on one level highly devolved when it comes to the management but, on the other, critical decisions being very much about international negotiation with neighbours. The Bill that we have put forward addresses this broad nature of how we conduct fisheries policy.

The Chair: Keeping on this regional theme, we have become a member of various regional fishery organisations, such as the North East Atlantic Fisheries Commission. Are there lessons to be learned there or are we going to try to do things there now, as we are an independent member of that organisation?

George Eustice: Yes. We will be rejoining the North East Atlantic Fisheries Commission. Neil might correct me but ironically, although we are not allowed as an EU member to be directly members or to speak for ourselves on NEAFC, it is based in London. I think it has offices in Marylebone. We will be rejoining NEAFC and NAFO, and other regional management fishery agreements as well.

The Chair: I understand some of our coastal communities are looking forward to having a tuna quota in future.

George Eustice: I get a lot of calls for a bluefin tuna provision. Once we are able to speak for ourselves again around ICAS, we will be able to explore that.

The Chair: Thank you both very much. The Committee wishes you every fair wind in your negotiations, which are probably not quite so straightforward as you would like us to think. Good luck. I end the session at that point.