

European Scrutiny Committee

Oral evidence: The UK's new relationship with the EU, HC 122

Monday 19 July 2021

Ordered by the House of Commons to be published on Monday 19 July 2021.

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Members present: Sir William Cash (Chair); Jon Cruddas; Richard Drax; Margaret Ferrier; Mr Marcus Fysh; Mr David Jones; Craig Mackinlay; Anne Marie Morris.

Questions 94 - 120

Witnesses

I: The Rt Hon. Lord Frost CMG, Minister of State, Cabinet Office; and Julian Braithwaite CMG, Director General EU, Cabinet Office.



Examination of witnesses

Witnesses: Lord Frost and Julian Braithwaite.

Q94 **Chair:** Good afternoon, Lord Frost, and welcome. It is clear that issues concerning the implementation of the Northern Ireland protocol are persisting and tensions on both sides are running high. As such, it is extremely important that you appear today, and on behalf of the Committee I would like to thank you. You are sending a clear signal that this Government value parliamentary scrutiny in the national interest. I know that we do not have very much time with you today, and in the light of this our questions will cover a number of recent high-profile UK-EU events. Before I ask the first question, I thought that it would be a good idea, as Mr Braithwaite is relatively new to the post, if he would be good enough to introduce himself.

Julian Braithwaite: Certainly. My name is Julian Braithwaite. I have just returned from Geneva, where I was the UK ambassador to the World Trade Organisation, among a number of other international organisations in Geneva, and responsible for our transition in the WTO as we left the European Union. Before that, I served in UKRep as our ambassador to the Political and Security Committee of the European Union. I am delighted to be here, having just started as the director general for the European Union in the Cabinet Office about three weeks ago. I look forward to supporting the Committee, and supporting Lord Frost in his engagement with the Committee.

Q95 **Chair:** Thank you very much. To keep the framework in order and get through everything we need to do in the time, I will ask three initial questions. I think this may be a good way to start.

Given the statements made by Madame von der Leyen and some other European leaders with respect to the Northern Ireland protocol in recent months, and given your reasonable and robust criticism, Lord Frost, of those statements and EU threats of legal action, and also given the strong views that were expressed in the important debate that took place in the House of Commons last week on the Northern Ireland protocol, would you be good enough in the light of the questions I am about to ask to give us an update on the current state of play and indicate as strongly as you can the thrust of your proposals for its future operation, which we understand will be published later this week? That is the first question.

The second question is this. Your colleague, the Secretary of State for Northern Ireland, recently suggested that the EU approach to the Northern Ireland protocol could itself be in breach of the protocol. Are you preparing to use the withdrawal agreement dispute resolution mechanism to test that assertion? In case there is no breakthrough with the EU, are the Government preparing to use the article 16 proposals on unilateral safeguards? Is there a potential triggering of article 16 in mind? Those are the three questions I have to start with. Would you be kind enough to address those questions to begin with?



Lord Frost: Yes, thank you, Chair. I will have a go, although obviously, there is a limit to what I can do, given the plan to make a statement and set out our approach later this week. What I can probably say at this point is that we all know that the protocol is not sustainable in the way it is working at the moment. The only way it can be made sustainable is if we can find a way to hugely reduce or eliminate the barriers for goods moving between Great Britain and Northern Ireland, and we need, as we go forward, to try to find a way of achieving that so as to reduce the burdens. We have said that a few times before. It remains the core of the problem that the boundary between Great Britain and Northern Ireland is too dissuasive, too complicated, too chilling of identity in various ways, and that is what has to be solved in terms of direction of travel.

All options are on the table. That is clear, and that will remain the case after we have made our statement, because we need to remain flexible to events. It is more likely to produce a durable outcome if you can proceed by agreement. It remains to be tested on the basis of the discussions we have had so far as to whether that really is possible or not. The issue of the various legal weapons in the treaty, which we have not used but the EU has in various ways, remains out there. We will have to see what kind of discussion we can get into on the back of where we are at the moment.

Q96 **Chair:** Let me put it this way: are you looking for changes to the text of the protocol for Joint Committee decisions, or are you looking for changes to EU legislation as it applies in Northern Ireland? Is there some balance you are striking between those two positions?

Lord Frost: There, I am afraid I will have to reserve my position until we announce on Wednesday. What I can say at the moment is that it must work in a different way if we are to find a stable route going forward. We will set out the detail on Wednesday.

Q97 **Chair:** Yes, I see. In respect of what was said in the debate last week, I am sure you got the message from the House of Commons as a whole, because there was no Division on a very important and clearly stated motion. Therefore, I would say, and you might agree with this, that it was a highly important benchmark of the opinion of Parliament in relation to these very delicate matters. What Penny Mordaunt said at the end, and the robustness with which she addressed these questions, heartened a lot of people, and we hope that we can continue that in the statements that you make later this week. Would that be fair?

Lord Frost: Yes, I think it is. The debate last week was extremely interesting, and extremely helpful in all kinds of ways. Parliament expressing its view in that case in that way is extremely important. One thing that has happened over the last few months is that it has become generally more widely understood what the problems of the protocol are and why it is not working, and that something needs to be done. That was a minority opinion maybe four or five months ago, and it is a quite



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widely held one now as far as we can tell. That simply reflects the impact of events.

Chair: Thank you. David Jones, would you like to come in on any of that, perhaps on article 16?

Q98 **Mr Jones:** Yes, please. In fact, I raised the issue of article 16 in the debate last week. I very much hope, Lord Frost, that the Government are fully keeping their options open with regard to article 16, and that the potential for invoking it remains.

Lord Frost: Again, you will have to wait and see precisely what we say on Wednesday. Certainly, all options remain on the table now and in the future.

Q99 **Mr Jones:** What assessment have you made of the impact that the current arrangements are having on the Belfast/Good Friday agreement? Is that a concern of yours?

Lord Frost: It is a core concern, to be honest. If the workings of the protocol are undermining the Belfast/Good Friday agreement, the protocol is not doing its job. One of the core elements of the Belfast agreement was that the three strands had equal status. At the moment, it feels as if the east-west elements of the protocol are not working as well as the north-south, and, clearly, that imbalance is not what the Good Friday agreement intended. That is the core of the problem.

Q100 **Mr Jones:** Yet the European Union suggest that the reason they are being so legalistic in their approach to the protocol is precisely to defend the Good Friday agreement, which, frankly, appears to me to be surprising.

Lord Frost: Yes, obviously, we hoped when we agreed it that it would prove a good defence and a good support of the Good Friday agreement. It is in the text of the protocol in several places. That was certainly the intention. I do not think it could be said that it is the only possible way of doing that. We need to find ways that constitute a new balance and bring the way things are working back in line with the balance in the Good Friday agreement.

Mr Jones: Thank you, Lord Frost.

Chair: Does anybody else have a further point they would like to make on that series of questions before we move on to the next one? Does anybody have any ideas on that?

Q101 **Margaret Ferrier:** I want to ask Lord Frost about his thoughts on the meeting this morning between the DUP leader and Maroš Šefčovič. Will that be beneficial to the negotiations that you are talking about or otherwise?

Lord Frost: I hope so. The more people from Northern Ireland that Maroš talks to, the better. To be fair to him, he has reached out quite a



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lot to get a range of opinion in Northern Ireland. I have not heard what happened in that meeting. I have seen the comments that Jeffrey Donaldson made after it, which seem very clear that the protocol is not working and needs to work in a different way. The more the EU understands that, the sooner we are likely to get to a good outcome.

Chair: Good. Anne Marie, would you like to come in on the next question?

Q102 **Anne Marie Morris:** I most certainly will, Chair. Before I do, may I ask a couple of supplementaries on the questions that you have already raised? Lord Frost, I appreciate that it is very difficult, given you have a report coming out, for you to be able to tell us what is in it. That would be quite inappropriate, but is it your position that we, as the UK, cannot accept things as they are and, therefore, something must change?

Lord Frost: Yes. We have said it is not sustainable in the way it is working at the moment. Things have to change. In particular, movements of goods from Great Britain to Northern Ireland, and hence within Northern Ireland, have to happen in a different way. That is the core of the problem that we face at the moment, and it has to be done differently.

Q103 **Anne Marie Morris:** Excellent. I am pleased to hear your determination on that point because it is quite important. To be going into discussions on the basis that you would simply let things stand would be disappointing, so I am very pleased with such a robust answer. Thank you.

My second supplementary is with regard to the comment made by the Secretary of State for Northern Ireland. It was his view, and I would like to know if you share it, that the EU approach to the protocol could itself be a breach.

Lord Frost: One of the difficulties with the protocol is that it is quite a purposive document, and a lot of its provisions have to be read with other provisions to work out precisely what they mean. For example, there is a contradiction between the provision that the Union customs code must apply and the provision that you must do your best to reduce checks and controls at Northern Ireland ports. The correct interpretation of those two things is obviously a matter for debate.

As the Secretary of State said, the way the EU is allowing us to run some of those arrangements is, arguably, not consistent, or only partly consistent, with that balance. But it is arguable; it is a matter for debate. That is really the difficulty with the protocol. One of the things we have found so far is that the immediate resort to legal weapons on the EU side has not served particularly well. It is a delicate situation. We need to focus on the politics and the reality of what is happening, and that is what we intend to try to do.

Q104 **Anne Marie Morris:** Wonderful. I am pleased to hear that. The



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specialised committee on the Northern Ireland protocol is due to meet today. Would you be able to elaborate on what is to be discussed, and, in the light of what we have just said, the significance of the issues on that agenda?

Lord Frost: It is meeting about now, or, if not now, it has just finished. The purpose of it primarily is to follow up the various offers that both sides have made, or ideas that they have come up with. For example, our idea for an SPS arrangement based on equivalence is being discussed, which is very good because we wanted it to be. Also, in the last couple of days, we have received brief summaries in writing, at last, of the proposals that Maroš Šefčovič made on 30 June in areas like assistance dogs, tagging of animals and so on. Although we have not had very long to think about those, there will be discussion of them as well. We have to test as to whether it produces a different quality of engagement or not. As yet, I have not heard back, but I hope so.

Q105 **Anne Marie Morris:** That is very helpful. We have the SPS and we have the request made in a letter of 30 June. Is there anything else, or is that the totality of the agenda?

Lord Frost: It would normally take stock of where things stand more broadly, as a relatively significant committee in the system. Those are the things that were most going to be discussed today, and both sides know that we will be making a statement later this week. That slightly constrains the process until both sides know where that will take us.

Q106 **Anne Marie Morris:** Finally, when, potentially, will there be publication, or at least a sharing with this Committee, of the agenda and minutes of that specialised committee. Is that a possibility?

Lord Frost: Yes, let me look into that. The agenda should have been shared with you anyway. It was all very last minute, so it is possible it has not got in. Certainly, we can make sure that you get an account of what was discussed. The minutes, I think, are confidential, but probably not very revealing anyway. We will make sure that you hear what goes on.

Anne Marie Morris: I am most grateful, Lord Frost. Thank you.

Chair: Moving on to a rather different subject. Craig Mackinlay would like to ask a question about Saint Martin. Craig, would you like to give us the benefit of your question please?

Q107 **Craig Mackinlay:** Yes, I will indeed. Thank you, Chairman. I would like to thank one of my constituents who raised this, who was concerned about the seeming sausage wars developing across the island of Ireland and GB. They had the benefit of living in Saint Martin for many years and noted with some interest that many of the goods that go into Saint Martin come from the US, as it is naturally very close, and fresh products, particularly chilled meat products, can enter Saint Martin very freely from the US.



Saint Martin itself is divided in two: the Dutch side, which is non-EU, non-single market; and the French side, which, as one of those oddities under French territorial arrangements, is fully in the EU and fully in the single market. There is absolutely no border or barrier between the two countries. Obviously, it would be very difficult to feed that fairly small Caribbean island from the EU, so common sense prevailed, I can only think. The obvious similarities with the island of Ireland are there.

The GB side had all its rules and regulations, up until a few months ago, completely in alignment with the EU, yet we are not able to sell chilled meat products to the EU generally, even though we have this temporary derogation to Northern Ireland, and a non-EU member, the US, seems to be able to sell into the EU single market, French Saint Martin, without a by-your-leave or care. I asked the Paymaster General whether any discussions had taken place between the Cabinet Office and EU counterparts, and apparently they have not. Has this come across your radar thus far? Do you have any thoughts on what seems to be a conundrum that seems to be easily solvable by the EU when it wishes to?

Lord Frost: Thank you, Mr Mackinlay. I, at least, am a little bit aware of it, though others can be forgiven for not being. It is an interesting situation, although the differences are great. It is a tiny island a long way from the European Union. The population is a lot lower. The risk of diversion of goods, which is one of the big issues in this context, is quite different. I would be hesitant to draw any very strong parallels except in one respect; it shows that the EU can, when it makes sense to do so, agree arrangements that are different from the norm, from what the rules say, and, although it is only a very small and quite different context, it has been done.

Context-specific application of the rules is important. I think it is useful to have that example in mind. Different things can be done in different contexts. Obviously, the scale in Ireland is different, and we have to be realistic about that.

Q108 **Craig Mackinlay:** I hear your thoughts on that. I was hoping you might be a little bit more positive about what it might offer you as a hand of cards to play. I think the similarities are greater than you laid out. Of course, the island of Saint Martin is very small, but part of it is fully EU and fully single market territory. I am not worried about stuff going from Saint Martin back to what I might call mainland EU. I am sure that would be very small. But the principle is there. Stuff goes into the EU single market on an island nation of two parts, which is not vastly dissimilar from the island of Ireland—an island of two parts, as it were—and there being no physical land border between the island of Ireland and the rest of the much-vaunted EU and single market. I understand that probably they will say: “It is all very small; we don’t worry about it.” But a principle is a principle; it either is EU land or it is not, and they have accepted this because it is convenient to do so.

Will you put on the table that you will ask your counterparts how that



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was overcome, yet they seem to have the problem with a Sainsbury's sausage leaking from Northern Ireland into the Republic and then perhaps on to expats living in Spain? You and I know that at the moment we cannot sell chilled meat products into the EU, apart from what we have accepted for the island of Ireland. This is all rather bizarre because it works the other way. I will tell you this, Lord Frost. My wife is Hungarian. There is a Hungarian shop not too far from where we live. They seem to be selling fresh Hungarian sausages on the street of the UK today. We are allowing it this way. It seems rather bizarre to me that they are not allowing it the other way.

Lord Frost: We tend to be more relaxed about these things than the EU is. Obviously, there is no justification for the chilled meats ban. It makes no sense and there is absolutely no need for it, whether in Northern Ireland or anywhere else. The EU isn't known for its pragmatic implementation of its SPS rules, and that is what we have to deal with. It has come up in other contexts—the bivalve molluscs issue—where the rules are firmly applied. I suppose the EU would say, "That's Brexit. You have to get used to it." Our view in Northern Ireland and elsewhere is that it does not make sense to be so legally purist that you destroy perfectly reasonable and legitimate trade, and that is what has been happening in Northern Ireland. We just have to keep pressing those cases and see what happens.

Q109 **Craig Mackinlay:** Lord Frost, will you give me an undertaking that you will be raising the issue of Saint Martin with your counterparts when you meet them?

Lord Frost: It is useful to show that, as you say, the EU can agree a pragmatic interpretation of its rules in different contexts. If I think it helps me make the point, I certainly will.

Craig Mackinlay: Thank you, Chairman. That is very helpful.

Q110 **Chair:** Thank you very much. On a more general question related to what I was saying earlier, we mentioned article 16, and we know they have used it rather foolishly, but they then retracted that. However, the reality is that this is all part of an ongoing short-term negotiation, because quite clearly—I do not want to put words in your mouth, certainly—it would seem to me that there comes a point, and that may be what is going to emerge on Wednesday, when we have been through an enormous amount of negotiation and discussion, that you have to ask the question, "Are they really going to listen to us, and are we, in fact, going to get on to a sensible basis or not?"

The other question, which I raised in the debate last week, is about section 38. The bottom line of the "notwithstanding" section, which is quite clear in relation to direct effect and so forth, is that we would have the power under our own domestic legislation, which is expressly stated and therefore is not a matter of implied repeal or anything of that kind, to be able to initiate legislation were it necessary to do so. Do you have any



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thoughts on that in the broader context of the possibility that the EU will not listen to what we are saying? You have done a great job in being robust and reasonable, and, seen from where we are, it seems that they are not listening. I would be grateful for some indication of your feelings on that theme.

Lord Frost: Thank you, Chair. All options are on the table. We have always said that, and we keep saying it; we do not rule anything out. At the same time, we have not yet tested whether a fundamental rebalancing of where the protocol works is possible. At the moment, we have been talking with the EU, essentially, about the problems that the current application has thrown up. There is a set of discrete issues, how the UK trader scheme works, how SPS rules are policed, guide dogs, tagging animals, medicines or whatever.

There is a set of problems that are produced by the existing arrangements. We have not yet talked about whether the arrangements that produced those problems are also reasonable or not. That is the kind of discussion we have to try to get on to if we are to move forward in a consensual way, which, as I say, is always better. If that sort of negotiation is not possible, we have to consider the situation. Given the delicacy of the situation in Northern Ireland in all kinds of ways, we think it is right for us to proceed in the most responsible and predictable way we can in order to bring as many people as possible with us.

Chair: Thank you very much indeed. Jon Cruddas, you want to ask a question.

Q111 **Jon Cruddas:** Thanks, Chair. Good afternoon, everyone. Lord Frost, I would like to change the subject slightly and ask about the costs of the Brexit financial settlement to resolve our residual financial obligations. Clearly, the overall net result will be a significant transfer to the EU. In July 2021, the EU forecast the net cost to the Exchequer to be £41 billion compared with the July 2020 Treasury estimate of £29.3 billion. What is the cause of the discrepancy, and what do you assume will be our final financial obligation?

Lord Frost: The Chancellor or the Chief Secretary tabled the usual Command Paper and statement on that subject last week, on Thursday, I think, and set out the way we calculate the bill at some length. The Treasury figure, our figure, is £37.3 billion. Obviously, that includes the 2020 Budget, while we were still in the transition period, so that has to be taken into account.

The reasons for the differences are that the EU presents things in a different way; it does not necessarily include all the payments that it is agreed are to flow to us. It makes different assumptions on things like discounting rates, inflation and pensions and so on, all of which is reasonable, but all of which accounts for the difference. The important thing is that the bills that come in, when they come in, are correctly



calculated and we consider them to be correct, and, so far, that has been the case.

Q112 **Jon Cruddas:** So we are getting closer to an agreed figure. There is a difference of about £4 billion. Both estimates omit the EU's contingent liabilities, in particular for the share of the EIB loan book, or is that in the Treasury estimate now? How confident are you that these liabilities will not add further to the final cost of the settlement?

Lord Frost: Contingent liabilities are just that: they are contingent and shown as such. My understanding is—although the Treasury are the real experts—that the settlement only provides for liabilities that were contracted when we were a member, so we are not on the hook for anything that happened after that point. These contingent liabilities are conducted by a bank and an organisation that tends to be extremely conservative. There is already a loan guarantee fund in place in case there is a default. The view of the Treasury is that the risk of those contingent liabilities becoming real is acceptably low. That is my summary rather than an authorised version; the financial statement is the authorised version.

Jon Cruddas: I take your point. Thanks for that. It looks like we are coming in between £37 billion and £41 billion. Thanks, Chair.

Chair: Richard Drax, please.

Q113 **Richard Drax:** Thank you very much, Chair. Good afternoon, Lord Frost. I have a bouncer, I suppose you might call it, me being a cricket man. My view—you hear it repeated frequently—is that the southern Irish see this as an opportunity to get a united Ireland, and that is what we have been battling against and continue to do. They maintain a grip on us through this protocol, which, looking back and with regret, we signed up to, and all the problems that were warned at the time are now coming to fruition.

Would you agree that the only way to get the United Kingdom back, which I believe in, and I know many in our party do, certainly, as do most across the country, who believe that we are a United Kingdom, despite all the talk and the chit-chat and everything else, is to end this protocol and get our country back?

Lord Frost: I do not think it is a bouncer; I think it is a very fair question. There will always have to be a treaty relationship of some kind between us and the EU that covers Northern Ireland because of the need to protect the special arrangements that we all want to protect. It is inevitable and right that there should be something. The question is, what is the content? The content is not working well at the moment. It is important to remember that, although there has undoubtedly been an undermining of the sense of identity among the broad unionist community—I do not for a moment minimise that; it is extremely worrying and troubling—there is no sense, despite that, in which Northern Ireland is not part of the United Kingdom. That is absolutely clear. It is clear in the protocol. It is clear in everything else.



It is reasonable to remember that, in most areas of our national life, including trade and services, let alone everything that Governments do, Northern Ireland is unequivocally governed in the same way as the rest of the United Kingdom. What we have with the protocol are some special arrangements to do with customs and the rules for goods as they apply in Northern Ireland that are not working well, and are causing significant difficulties. It is important to keep the focus on that aspect of the question and not broaden it out too much as a problem.

Richard Drax: Thank you.

Q114 **Chair:** Does anyone else want to come in? Is Marcus Fysh on the call?
No.

I should like to ask a question relating to the issue of how we treat the words "unique circumstances of Northern Ireland", which appear in the instruments that we have in front of us. How do you regard that, and what reaction do you get from the EU when you draw attention to those words, which are there in the documents? The unique circumstances of Northern Ireland are political, constitutional and, of course, historical. Do you get any reaction from the EU when you raise the question of, "You agreed to the fact, as you obviously would need to, that the situation in Northern Ireland has very special characteristics"? Do they ever react to that, or do they just resort to the small print?

Lord Frost: It depends on who you are asking. That is the honest answer. Those who negotiated the protocol and the team that is in place now under Maroš Šefčovič definitely understand the unique circumstances of Northern Ireland. The very fact that we have to have a protocol or a treaty relationship covering Northern Ireland demonstrates that. We have not had that elsewhere, and it is because of those special circumstances.

I do not know how widely understood that is across the EU more broadly. We have had one or two indications that it might not be understood entirely correctly, which means that one of the problems we have is the autopilot problem that, as we keep saying, goods moving from Great Britain to Northern Ireland are treated like goods coming in a container ship to Rotterdam. You need to reflect the unique circumstances if you are to run those arrangements reasonably, and at the moment that is not happening. That is more a function of the way the EU tends to do its international relations rather than because those I am talking to deny that there are special circumstances.

Q115 **Chair:** Lastly, because we are reaching the end of our time with you, could you throw a bit of light on the current situation regarding Gibraltar?

Lord Frost: Yes, although that is an issue that the Foreign Secretary leads on, because it is an overseas territory. It is a Foreign Office responsibility, but I am closely involved. We are expecting, or hoping, to get the mandate, long awaited from the EU on this subject, to enable us to begin formal negotiations on Gibraltar. I think that is coming this week. There are some issues in it that might generate some potential



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difficulty and we will need to work those through. We will wait and see; when we get the final mandate, we will consider how to proceed.

Q116 **Mr Jones:** Briefly, Chairman, I would like to go back to Northern Ireland if I could. You made the point, Lord Frost, that Northern Ireland is specifically stated to be part of the United Kingdom in the withdrawal agreement and so on. Part of being British, of course, is enjoying the same privileges and rights as people from any other part of the United Kingdom, and that includes being able to buy a jar of Marmite or a Wall's sausage. It seems to me fairly clear that diversion of trade is happening, and it is happening as a consequence of the protocol. Does Mr Šefčovič actually understand this? Does he understand that part of the element of being British is to be able to enjoy the same sorts of things that people from any other part of the country enjoy, and does he understand the extent to which it is causing distress in Northern Ireland?

Lord Frost: Obviously, I cannot speak for Maroš directly. I think he does. He has become very close to the problem in Northern Ireland in recent months. He has had to. As I say, I am not in any way trying to minimise that these are exactly the sorts of problems that are generating an identity issue in Northern Ireland that we need to try to deal with. The issue for Maroš is that he does not have the final say. He is one commissioner among many, and the member states also have an interest. These things work out as a function of the normal EU ways of dealing with these questions. He has to work within that environment. As we have discovered, these questions are not necessarily understood so well everywhere across the EU as they are by him.

Q117 **Mr Jones:** Do I infer from that that problems are emanating from some member states rather than from the Commission itself?

Lord Frost: We do not have insight into all the details of those discussions. People who have worked with the EU for years, whether inside or outside, tend to say that the EU has a quite fixed way of dealing with external relations problems. It agrees treaties and implements them having reached internal agreements on things, and it is reluctant to change them because it is quite a laborious process. That is what we are seeing working out primarily, rather than any member state wanting to cause a problem particularly. We are seeing that process working out and causing inflexibility, purism and rigid ways of looking at problems that should not be looked at rigidly.

Q118 **Mr Jones:** Which is possibly a reason why some member states decide to leave.

Lord Frost: I would say it is one of the reasons why we did.

Mr Jones: Thank you.

Chair: There we are, Lord Frost.

Margaret Ferrier: Could I come in quickly, Chair?



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Chair: Yes, of course, Margaret.

Q119 **Margaret Ferrier:** I have a very quick question, Lord Frost. I want to go back to what Mr Drax asked you about the Northern Ireland protocol. The understanding was that it was a time-limited situation, and I think you made the comment that there would always be something. Could you elaborate on that “always be something” because that could be quite startling for some people who felt it was just going to be a temporary arrangement?

Lord Frost: You will always need something, for example, to manage the common travel area and deal with the human rights aspects of the Good Friday agreement. We will always need something to manage the single electricity market, which is not particularly controversial on the island of Ireland. We will always need something to ensure that there is no infrastructure or checks at a border, which there would be in the EU’s normal view of things. We have to find arrangements to deal with all those special arrangements. That is why we will always need something to achieve the special things that we need to achieve in Northern Ireland. The question is, how and what? That is what the core of the future debate will be.

Q120 **Chair:** If nobody else has further questions, I will finish off with one thought. We are, in fact, looking very carefully into the question of state aid and subsidies and the rest of it, and that will come out in due course. We are preparing some significant analysis of all that.

Thank you very much for coming. There has been a significant change in attitude and in the way in which these matters are now being discussed from a few months ago or a year ago. Thank you very much indeed for coming, Lord Frost. We look forward to seeing you again. I trust that you will have an enjoyable recess notwithstanding all the things you have to keep doing. Thank you very much.

Lord Frost: Thank you very much, Chair. I am happy to be here, and I am sure I will be back before too long. Thanks a lot.

Chair: Thank you very much indeed. Thank you all very much for attending.