



Select Committee on the European Union

Internal Market Sub-Committee

Corrected oral evidence: Future UK-EU transport arrangements

Wednesday 14 November 2018

10.10 am

Watch the meeting

Members present: Lord Whitty (The Chairman); Lord Aberdare; Lord Boswell of Aynho; Baroness Donaghy; Lord German; Lord Liddle; Baroness Noakes; Baroness Randerson; Lord Robathan; Lord Russell of Liverpool; Lord Wigley.

Evidence Session No. 7

Heard in Public

Questions 54 - 68

Witnesses

I: Rt Hon Chris Grayling MP, Secretary of State for Transport; Martin Jones, Deputy Director, EU Division, Department For Transport; Lucy Chadwick, Director-General, International, Security and Environment Group, Department for Transport.

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Examination of witnesses

Rt Hon Chris Grayling MP, Martin Jones and Lucy Chadwick.

Q54 The Chairman: Good morning. You are very welcome. We recognise that this might be a slightly difficult situation for you with the uncertainties following the announcements overnight and the discussions going on today. We recognise that you are in an even more delicate situation than you might normally be. We will try not to seriously embarrass you, but if there are things that you feel you cannot answer, clearly we understand that. You know, of course, that this is a public session and is broadcast. While we hope for as much information from you as possible, we understand that there will be some inhibitions. However, from the range of commentary on the news overnight, it is still the case that there is a wide range of possible final outcomes, from no deal through to everything being absolutely clear and a free trade agreement or something like it being well on the way. The range of questions we have prepared is still valid, although with a slightly different tone and eliciting slightly different answers. If you and colleagues are happy with that, I propose to proceed. Lord Boswell, Chair of the European Union Select Committee, is honouring us with his presence as well. He has promised to behave.

I will give you the opportunity to make any general statements, focusing particularly on what is causing some degree of alarm in the industry: the possibility of a no deal as of 29 March, or indeed any time thereafter. On the assumption that that is still a possibility, either because there is no agreement, the agreement has been rejected on either side or because the deal does not run, there are a number of aspects to the concerns expressed to us by various parts of the industry. We are talking about surface transport. Clearly, the road hauliers are concerned about possible delays at Dover and the whole question of stacking and serious problems at the frontier. The rail sector needs to know what will happen to the trains. I was speaking to Eurotunnel a couple of days ago. It is concerned whether, in those circumstances, there would be a serious problem with bookings, particularly for freight transport. For us ordinary drivers there is still the uncertainty about driving permits and so forth. Could you give a general comment on preparations? You have issued a number of technical notes on preparations for the outcome of no deal. We shall have some follow-up questions on those.

Chris Grayling MP: That is quite a long range of things to address, Lord Whitty. My department has been preparing for all eventualities for many months. You would expect us to do so. I think it is recognised across Whitehall that, while we have not necessarily been ahead of the game, we are certainly advanced in our thinking about how we would handle different scenarios. Notwithstanding the developments overnight, that work will continue unless and until, because it is absolutely right and proper that we should be prepared for all eventualities.

I will start with haulage and logistics at the ports. We have recognised for some considerable time the potential bottlenecks that could exist at Calais and the tunnel. I emphasise that the Government's policy all along

has been that we will not seek to impose artificial barriers at the border. We do not expect to see a problem for vehicles entering the United Kingdom. The issue will be what happens to vehicles exiting the United Kingdom, particularly on the short straits, which carry a significant flow of traffic.

It is worth stressing that there is no issue at all about overall port capacity in the United Kingdom. We have plenty of it. There is no issue. It is about the different modes. We have plenty of container capacity and capacity for lo-lo travel; it is ro-ro—lorries driving off and on ferries or on and off the tunnel trains—that poses the most obvious challenge that we need to prepare for.

I should also tell the Committee that I have been to Calais. I have spoken to the leadership of the Port of Calais and the tunnel. I have spoken to the political leadership in Pas-de-Calais. They are absolutely committed to ensuring that there is a free flow post Brexit, subject to any checks that might exist. They do not want unnecessary delays. None the less, we are taking the prudent approach of assuming a risk of delay and making sure that we have put in place appropriate preparations.

Number one on our list, because this has involved infrastructure investment, has been what we would do if we get a repeat of 2015 and see substantial queues in Kent. Clearly that caused significant problems for people in Kent, which we do not want to see repeated. We have put in place what is now known as Operation Brock to serve as an alternative to Operation Stack, which existed at the time. In effect, that involves four stages. There is additional capacity in place in and around the Port of Dover compared with 2015 for a small number of trucks—I emphasise a small number. We then have a section of the M20 where work is being carried out to strengthen both hard shoulders to enable one carriageway to be used for lorry parking. The other would operate as a dual carriageway in both directions so that conventional motorway traffic can continue through Kent. That work is due to be completed around the end of the year. It is a lengthy stretch of the M20 between junctions 8 and 9, which will provide a significant amount of additional capacity. Beyond that we have the use of Manston Airport, which takes several thousand lorries. In addition, as a third fall-back, should it be necessary we have made provision for the M26 to potentially be used as an overspill parking area. Only a small amount of work needs to be done to achieve that. We are putting in place a turning area at the top. That will be completed well before we get to March.

These are contingency measures. I do not actually expect use of the M26 to be needed, but I would rather have it, know that it is there and be prepared for all eventualities. We are also finalising a traffic management plan for Kent that will be in place before Christmas. My department is working with Kent Police, Kent County Council and Highways England to make sure that there is a proper strategy in place for how we would manage that. That includes driver welfare, how you move people around,

through to how you prevent people jumping the queue. That work is ongoing.

You will have seen press reports, which I will not talk about too much now because there are commercial issues involved, that we are also looking at how we will make sure, if there is congestion at Dover-Calais, that sufficient alternative capacity is available on other routes. We cannot just replace Dover-Calais, but this is so that we have some alternative options available for hauliers and goods of national importance in particular. That work is ongoing. I cannot say much more about that because there are commercial and planning discussions. Obviously, as we get a bit closer to what we hope will not happen—a no-deal outcome—then I would be happy to explain that to the Committee, but that work is also taking place.

The Chairman: Is that what was referred to colloquially by a haulier as the Ramsgate option?

Chris Grayling MP: As you may know, Ramsgate port has ambitions to enter the cross-channel arena in a competitive way. Clearly Ramsgate is one of the ports that has expressed an interest in providing additional capacity to the continent.

The Chairman: Your answer rightly focused on no deal but some of these contingencies might be necessary, at least in part, for various other outcomes in the long run.

Chris Grayling MP: That is certainly the case. I hope that Operation Brock provides an alternative to Operation Stack until we can sort out the lorry park issue in the early 2020s. It is frustrating that we have not been able to do that. Highways England initially believed that it could deliver the lorry park under permitted development rights. It became clear that it could not, so it is now going through the planning process. My goal with Operation Brock has been to make sure that Kent keeps moving. It is clearly an annoyance for everyone involved. Of course, this is not just about Brexit; we could have another set of strikes or a failed carrier, as we had before. That is more than just 29 March.

The Chairman: Would you care to say anything about driving licences?

Chris Grayling MP: We recognise that there is a potential issue here. Indeed, I understand that yesterday the European Union indicated that it would not recognise UK driving licences, which is a shame, because we will recognise European driving licences. We have been putting in place plans for this for some time. If Europe continues to refuse to recognise UK driving licences, we will, for those who want to drive on the continent, revert to a system of international driving permits of the kind that existed before our membership of the EU. Those are still used to a limited extent and have historically been issued by the AA and the RAC, but we have now shifted things so they will be issued through the local post office, so if you want to drive on the continent you walk down to the local post office with your driving licence, you get a driving permit that costs a few

pounds, and you carry on driving. The other issue with driving on the continent is green card insurance. We have had some progress on that. Martin, do you want to say a bit about what has happened on that now?

Martin Jones: At the moment we have a green-card free circulation zone. In other words, you do not need—as you used to—a green card to drive on the continent. EU rules require that any insurance policy covers you for the minimum level of cover for any other EU country, but the arrangements for the green-card free circulation zone are actually outside the EU. It is a separate agreement between the different motor insurance bureaux. There are arrangements for third countries to join that, so we are in the process of trying to do so.

The Chairman: That is very helpful.

Q55 **Lord Robathan:** Secretary of State, I am older than you, which is distressing—but never mind; it is true. I remember going to Europe before 1973 without visas. We heard yesterday that we will not need visas. We also had bilateral haulage agreements. When we joined the EU these haulage agreements were presumably superseded. Were they overturned or do they still exist? If not, would we wish to reintroduce bilateral haulage agreements with France, Germany and wherever else?

Chris Grayling MP: In the event that there is no agreement that is clearly an option. If we cannot reach an overall agreement on terms for leaving the European Union there are none the less areas where I would expect there to be a bilateral agreement. Today, for example, the European Union has indicated that it wants an aviation agreement even in a no-deal scenario. I expect that it would take the same approach on haulage. However, there are still haulage agreements in place, as, indeed, there are aviation agreements. They have been superseded, but they have not been scrapped. They would probably require some bilateral updating, but there are still historical agreements in place with most, but not all, countries.

Lord Robathan: If we were to leave at the end of March without an agreement, which we are all working to avoid, of course, would we be able to revert immediately to a bilateral haulage agreement with France?

Chris Grayling MP: I have had many conversations with my counterparts and there is a universal desire to see the flow of transport continue. I do not anticipate any bilateral barriers to reaching sensible arrangements for things such as haulage. We have to bear in mind that 80% of the hauliers that cross the channel are bringing EU exports to the UK. No European Minister has indicated to me that they would wish to put any barriers in the way of that kind of bilateral agreement.

The Chairman: There are two aspects to that. I think you are implying that no discussions can take place bilaterally at this point while we are still negotiating with the EU as a whole, but if you do revert to those bilateral arrangements they have limits on the number of permits. Some in the haulage industry were somewhat alarmed by newspaper reports

over the past few days that you—or somebody—would operate a lottery system to see who gets those tickets.

Chris Grayling MP: We legislated earlier this year, as you will remember in your Lordships' House—

The Chairman: I think some of us recall that.

Chris Grayling MP: —to have the ability to manage a permit-based system if necessary. This system is not necessarily just for no deal; it could be the system that applies even with a deal. So we now have the powers we need. I am grateful to both Houses of Parliament for facilitating that because we need to have those measures and we have them in place now. We are just doing the regulations that will apply. We will start establishing the permit system shortly. We have already indicated to the haulage industry that it should start the process of putting applications in if necessary. The core system that exists if there is no other arrangement is the ECMT system. That provides only a limited number of permits—far broader than the EU arrangement. Of course, that is only part of the equation. The other part is the historical bilaterals on permits that I talked about.

I am not particularly concerned about numbers of permits, because we only have a relatively small part of the import/export market. UK-owned hauliers amount to less than 20% of the trucks crossing the channel. Interestingly, the total volume of cabotage within the UK by EU hauliers exceeds the total value of the import/export trade for UK hauliers. I am not concerned about the flow of business to the haulage trade or about the shortage of permits in bilateral agreements because the disparity is all the other way. If countries have far more hauliers coming to the UK than the other way around, I would not expect difficulty in creating a balanced agreement for UK hauliers.

The Chairman: That needs to be conveyed rather more firmly to the haulage sector, because it is working out the number of permits in the old agreements and the number of UK-based haulage companies. They may have EU citizens as drivers, but they are UK-based companies.

Chris Grayling MP: On the allocation, we have simply given ourselves the flexibility to allocate permits to smaller business as well. If there were any limitation on permits—and, as I say, I do not expect that for UK hauliers—it would be very easy for those to be dominated by the big hauliers, and we did not want that to happen.

The Chairman: Still starting from no deal, one particular issue was raised with us—on the sea, rather than the land. I ask Lord Aberdare to explain it.

Q56 **Lord Aberdare:** This question relates to the maritime sector and the impact on UK-flagged small and recreational vessels. I understand there are many thousands of these vessels in Europe, presumably including personal yachts and things like that. What do you think the impact of no

deal might be and what steps are you taking to mitigate that impact?

Chris Grayling MP: This is not, of course, a particular EU issue. It is down to the individual country to decide. For example, we grant freedoms to vessels from all around the world in UK waters. We do not believe there is a reason to expect any change because it is very much down to the individual nation, rather than to the Commission, to decide what happens.

Lucy Chadwick: One of your witnesses raised a question about a detailed bit of regulation in our shipping register and we are just following that up and making sure we can be absolutely confident it will operate. We have had no reason to believe it cannot, but we are following that through as a precaution.

Lord Aberdare: So you are making sure that the sort of documentation that small craft require at the moment would carry forward?

Lucy Chadwick: Yes. At the moment, we envisage no difference in the documentation. I know that was raised by one of your witnesses and we want to be absolutely certain, so we will follow that through.

The Chairman: If you can keep in touch with us on that that would be helpful.

Lucy Chadwick: I would be delighted to.

The Chairman: Thank you. Unless any of my colleagues has any further questions on no deal—it may well come back into our thinking as we move forward—let us look a little more positively at future relationships and so forth.

Q57 **Baroness Donaghy:** Good morning, Secretary of State. If there is a deal between the UK and the EU, what agreed outcomes can we expect from future relationships concerning transport? The Government's transport proposals have been submitted to Brussels. Could you give us an idea of the response to those proposals?

Chris Grayling MP: Our approach has been and will remain to argue for the most liberal approach possible. We think that benefits consumers across the European Union and in the United Kingdom in the post-Brexit world. Clearly, the detail of the negotiations on the future relationship are ongoing, notwithstanding the provisional agreement reached by negotiators yesterday on the withdrawal agreement that will be discussed by the Cabinet today. As you will know, the intent is that discussions will continue on the extent of the future trade partnership. We have argued very strongly that everyone benefits from the most liberal arrangements possible and that will continue to be the approach we take.

The Chairman: The expectation is that something like that will occur. I presume that this can be covered only in the political declaration at the moment, so there cannot be any detail.

Chris Grayling MP: It is difficult for me to comment on the outcome of discussions. Suffice it to say that none of my European counterparts has expressed any desire for anything other than a sensible agreement and a sensible partnership for the future and to maintain the flow of people and trade between this country and European Union. There are obviously individual issues such as cabotage, but as far as we are concerned the discussion is about maintaining connections.

Lord Liddle: Secretary of State, when we saw Mr Duncan Buchanan of the Road Haulage Association, he said that even if there was a deal—it looks at the moment as though we will have one—the problem is that we might spend the next two years after that, during the transition or implementation period, deciding how we will run the border. He made the point very strongly that this would mean that, “We will be back here in two years’ time”—that is, facing a cliff edge—and that, “We need two years to implement whatever comes next”. Do you recognise that that is a potential problem?

Chris Grayling MP: Clearly we need to make sure that we have the appropriate means in place to transition to the future partnership. I cannot comment on timespans, but I am aware that where we can we need to provide the smoothest possible transition for business.

Lord Liddle: But do you accept the industry’s point that after you tell it what the new arrangements will be it will need two years to make it work?

Chris Grayling MP: It depends what the new arrangements are.

Lord Liddle: Yes, quite.

Chris Grayling MP: The Government’s ambition, which we think is to the benefit of the European Union, is to keep trade as frictionless as possible. It is a supposition on his part. We have done our best to explain the position to the haulage industry in detail. We have taken the view all along that we will maintain the freest and most liberal approach possible. The Prime Minister was very clear from the start that we want to see frictionless borders and would endeavour to make sure that our own borders are frictionless. Clearly we cannot speak for the European Union, but what I do know, having had discussions in Pas-de-Calais—it is worth saying that there are certainly other ports away from Calais looking with interest at the competitive opportunities that will be created—is that the leadership of Pas-de-Calais wants to see Calais and the tunnel flow as smoothly as possible.

Baroness Noakes: Can I explore the Government’s position on cabotage? Again, when we heard from the Road Haulage Association there was a fear that because its equivalent European trade bodies were keen that we would not be allowed to do cabotage within Europe, it was concerned that we would allow cabotage into the UK, which, as you mentioned earlier, is a considerable part of the activity of EU vehicles at the moment. What is your position on cabotage? It is all very well being

liberal towards the EU, but if it is not liberal in return how do you see that unfolding?

Chris Grayling MP: I cannot conceive of a situation where we would allow an unlevel playing field of that kind.

Q58 **Baroness Randerson:** We have touched on these issues already. Secretary of State, we have just talked about hauliers, permits and cabotage. What about cross-trade rights? We had evidence from the Road Haulage Association about the complexities that will follow if we do not have cross-trade rights.

Chris Grayling MP: Our goal is to have the most liberal possible arrangements, within the confines of what the Prime Minister set out as our goals for Brexit in the wake of the referendum, in the comments she has made more recently and in our manifestos. Our goal is to maintain the most frictionless possible systems for trade.

Baroness Randerson: But cabotage and cross-trade rights are closely aligned in people's thoughts, although they are different and distinct things. It was clear from the evidence we had that the haulage industry does not feel that there is an appetite in Europe to allow us cabotage rights. Do you have a fear that cross-trade rights might be affected by that feeling?

Chris Grayling MP: We have to be careful. I would not want to see a situation where a vehicle entering the United Kingdom could not carry out within that one journey two or three jobs, and likewise the other way. On the discussion about cabotage, there is a big difference between whether an EU haulier entering the United Kingdom can pick up a consignment in Liverpool and take it to Newcastle and asking whether an EU haulier entering the United Kingdom with a load of widgets can drop some off in London, some in Birmingham and some more in Manchester. I would not wish to see any constraint on that particular trade. I do not really see why the European Union would wish to do so either. Equally, on the debate about whether a UK haulier can pick up a load in Lyon and drive it to Frankfurt, there is already within the European Union a move among some member states away from cabotage anyway. There is a broader debate in the EU about cabotage. While we will take the most liberal possible approach, I would not want us to do anything was wholly indefensible.

Baroness Randerson: Could I take you back to ECMT permits, if that is what we end up with? You said that you were not concerned about limitations as a result of the permit system. Are you concerned at all about a hiatus between the end of March and when we get a new system up and running? The timescales that you have been set as a department are very demanding, are they not? We had the debate on the SI in the Lords last week. Applications need to be made this month to start in January. The fact that the department has divided some of the permits into monthly permits to see us over that March-April-May period is inventive, but it is a sign that you anticipate there being a squeeze on the

number of permits available.

Chris Grayling MP: You have to bear in mind that the ECMT permits are not the only part of what we are talking about. We have made sure that we have systems in place to cope with all eventualities. If we reach a point of no deal in the next month there will need to be rapid conversations between my department and our counterparts on those historical bilateral agreements to make sure that we provide the earliest possible certainty to hauliers, but we have already put in place the systems in legislative terms. The advertising to the haulage industry about how the permit system will work has started. Applications are to be put in. We are trying to prepare for all eventualities, but there is not a scenario where we just have ECMT permits. Those bilateral agreements provide a whole extra dimension to what we are talking about.

Baroness Randerson: May I, finally, bring you on to road passenger transport? We have had evidence from Translink, which operates on the island of Ireland, that cabotage would be a big issue for it in Ireland because 50% of its services involve cabotage. What are your plans relating to passenger transport?

Chris Grayling MP: There are two dimensions to this. We are currently sorting out being part of the Interbus agreement. In addition to that, I met my Irish counterpart last week. Clearly this is one of the issues that will have to be sorted out if we end up in a no-deal arrangement. If we end up in a deal arrangement it will not be an issue. When it comes to buses in the island of Ireland, I know nothing being proposed by either side that would place limitations on that. This is as much an issue of interest for the Republic as it is for us, because there are plenty of citizens in the Republic who use services in the north, such as the local hospital, their GP or whatever.

If we end up in a no-deal scenario, or, indeed, even off the back of a deal scenario, there are things that we will need to do in the first three months of next year just to ensure smooth running, of which you have highlighted one, but there is absolutely no issue on either side about wanting to make sure that freedoms are in place for those bus routes to continue.

Lord Boswell of Aynho: Very briefly, Secretary of State, I listened to those exchanges on cabotage, cross trade and so forth. Are your department and, from your impression, counterparts in Europe and your colleagues sensitive to the environmental as well as economic considerations of any restrictions on, for example, back loads? If people have to return to base running empty it is expensive and maybe also intrusive.

Chris Grayling MP: Indeed. I will not say too much about all the conversations I have had with my counterparts but they have been rooted in common sense.

Q59 **Baroness Noakes:** The Government have said that they intend to

pursue bilateral arrangements based on existing rail services, not an EU-wide agreement. I have two questions. First, how are those discussions going in terms of getting bilateral agreement? Secondly, how do you intend to future-proof this to ensure you do not ossify rail services in terms of what is currently being done on a cross-border basis? How do you see that unfolding?

Chris Grayling MP: The Commission has effectively said, "You guys do that". For arrangements for the Eurostar it has been very clear in saying, "You sort out bilateral arrangements with the French, Belgians and Dutch". If there was a proposal to introduce services in Germany, it has been mooted, although it has not yet happened, that the same will apply. Those conversations have started. They were perhaps a bit slow to start, but we have been talking to the French and we have had conversations with others. I have met my Belgian and Dutch counterparts. Everybody wants to sort out smooth flowing. Most immediately, discussions about Channel Tunnel trains are making good progress. We need to get the Eurostar sorted out as well. Of course, it is helped by the fact that a lot of the shareholders in these services are French. There is a desire at their end to make sure that those continue smoothly.

Baroness Noakes: If you can share, what will these arrangements cover and what are the difficult areas in negotiating?

Chris Grayling MP: I am not sure that there is great difficulty. Martin, do you want to comment on that?

Martin Jones: They cover the three types of services through the Channel Tunnel: the shuttle services for passengers and freight; the Eurostar passenger services between London, Paris, Brussels and Amsterdam; and the freight trains that go through the tunnel from points within the UK and onward to points in Europe. Each of them has slightly different issues, but we are making good progress on all of them. It is about making sure that there is the necessary mutual recognition of safety approvals and that sort of thing. That is at the heart of it.

The Chairman: The discussion here on rail and road has focused on lorries, drivers, permits and so forth. In most outcomes there is also the issue of the content of the freight. While you understandably keep saying that you want an agreement that has as frictionless trade as possible, the reality is that once we are out of the EU the situation changes. While we are in the customs union clearly there are no tariffs, but in pretty much every free trade agreement around the world even if there are no tariffs there are some additional administrative issues. It is possible that they can be mitigated by technology or by a clearance centre at an earlier stage on the route, but do you recognise that things will change a bit and that there will be a cost, and that if it is badly handled there can be a delay, even in a liberal free trade agreement?

Chris Grayling MP: The reality is that what you have described is why we are preparing for all eventualities. The flow of goods across the border depends particularly on the amount of infrastructure available, if there

are checks, to be put in place to carry them out. I have been assured on that. Indeed, I have been shown bits of land in Calais where the French will do this if they need to do so. There is an absolute, clear commitment to keep things moving in and around the Port of Calais as rapidly as possible. Of course there might be checks, but it depends entirely on what the final arrangements are. We will have to wait and see how that pans out, but it is possible to keep goods flowing pretty smoothly across a border without long delays if the infrastructure, systems and people are there to do that.

On our side, we will make sure that we will put in place very limited restrictions on day one. We will maintain an absolutely free-flowing border. There is no question about that. Anything put in place subsequently will be done with the lightest possible touch to keep goods flowing as smoothly as possible. My hope is that the French would certainly want to do the same. Those are certainly the assurances that I have had from them. The reality is that if that does not happen then other ports will take the business away from Calais. It would become more cost-effective to send goods to Zeebrugge, for example, because it is better at getting goods through the border. There will be a bit of competitive tension around the channel ports, I expect. The other thing worth saying is that the Treaty of Canterbury carries a clear obligation on both the French and UK Governments to ensure a smooth flow of vehicles through either end of the Channel Tunnel, so there is also a legal obligation on both sides for goods going through the tunnel not to permit undue delays at either end.

Q60 Lord Russell of Liverpool: This is a fairly detailed question to do with rail freight services from this country going into the EU and then going through a whole succession of different countries. Particular mention was made of a service that runs from Daventry to Milan via Switzerland. In the evidence we heard from the Rail Delivery Group, although it was relatively sanguine about driver licensing and cross-acceptance of rolling stock, there was particular concern over the lack of clarity about the certification of wagons, particularly those wagons that been certified in the UK. If we have a bilateral agreement with France or the Netherlands that is fine, but what happens beyond there?

Chris Grayling MP: The answer is that it should not be complicated for mutual recognition of safety certification of rolling stock in all circumstances. We certainly will not provide a barrier to that. What happens at the moment, as you will be aware, is that typically a UK locomotive takes the rolling stock to Calais and then it is picked up by a continental locomotive. As with a lot of these things, there is no barrier from our side and I know of no reason why the member states would want to see barriers in that respect on the other side.

Lord Russell of Liverpool: So it is not an issue that has come up in of your discussions.

Chris Grayling MP: It is not an issue that has been raised with me. I meet with the RDG regularly. It is not an issue that has been brought to me as a serious concern.

Lucy Chadwick: That is principally because much of the UK rolling stock stops in Sangatte. That is where the breaking and reconfiguration for routes all across Europe happens. It is extremely unusual. I have seen some of the stats and the volumes; I think that it is tiny. Most of it is broken up at that point and that is where it stops. Therefore, preserving the freight shuttle is the key thing we need to do through the bilateral agreement. That is certainly what we have discussed with the RDG and it has given us the confidence that that needs to be its focus.

Baroness Randerson: If that is your view, why have the Government stated in their preparation papers that they will seek bilateral agreements with only a small number of neighbouring countries on rail issues?

Chris Grayling MP: We will seek bilateral agreements where necessary. There are only limited places where they are really necessary at the moment.

Q61 **Lord German:** Could I just refer to standards? In the note from you on a no deal Brexit it was quite clear that you would want flexibility to divert on standards where you thought appropriate and that you were not going to seek membership of the European Union Agency for Railways. You encourage industry to do the same. However, in the other background notes, which are not to do with a no-deal situation, no mention is made of whether you wanted to be part of the European Union Agency for Railways. As we have just heard, this is applied across the whole of Europe. The Rail Delivery Group told us that it thought it was very important to retain the standards of operability across the whole of the current European Union and the other countries that have signed up to it. In what circumstances would you now think that you would want to divert from the European regulations, how might that affect the way in which we would deal with those regulations, and why would you not want to be part of the body that considers them?

Chris Grayling MP: Let us be clear, I do not expect or want us to remain part of the European rail regulatory body. I see no need at all. Our rail system differs from that in continental Europe in a whole variety of ways, in gauge and so forth. If UK businesses want to operate within the European Union after we have left, they are free to fulfil European standards in the goods and services they offer. That is not a problem. I cannot see any reason why we would need to. There are only two cross-border services. One is HS1, the Eurostar trains that go through the Channel Tunnel. The other is the service that crosses the border between Northern Ireland and the Republic. There will have to be specific arrangements for those two lines, hence the negotiations we are having with the French, Belgians and Dutch on the cross-channel trains. To take a practical example, the European rail agency wants us to amend the platform heights on HS2. Doing so would mean we could not provide level access for disabled people to the trains. This is nonsense. There are

particular reasons why the European Union has standard platform heights. We have always been exempt from these, because our railway has been around for quite a long time and has different platform heights. I see absolutely no reason why we should be obliged to build platforms to the same height as the rest of the European Union after we have left.

Lord German: Being a member of the body as a third country does not mean that you have to abide by the regulations.

Chris Grayling MP: I do not see why there is any reason for us to. Unlike most other countries, we have a rail network that is separate from that of the rest of Europe. I cannot see why we would want to be part of something that sets standards internationally. We can follow the standards we choose to follow, but we can set our own standards for our own network.

Lord German: So what would your answer be to the Rail Delivery Group? My colleague has talked about its evidence. It says it is about the wagons and the freight we send to and receive from places far away in wagons that need to be compliant.

Chris Grayling MP: There is nothing to stop a wagon being compliant. There are issues in that our gauges do not meet continental gauges, so therefore there are limitations on how far the wagon that trundles around France can trundle around the UK. That is one reason it does not happen very much, because they are different wagons. But if somebody wants to run a freight train that travels from the United Kingdom across the continent, they will have to have a wagon that meets the standards to do so. That does not mean that every wagon operating in the United Kingdom should meet a continental standard.

The Chairman: This is a problem not just for the operators, though. We have a significant rail manufacturing sector, which is particularly worried about this.

Chris Grayling MP: I went to the InnoTrans exhibition in Berlin about two months ago. It is a huge event, with companies from all around the world doing business with each other on railways in countries all around the world. They all manage to do business perfectly well, meeting a whole variety of standards in different places. That is the way the industry will carry on working.

Lord Liddle: Is it desirable that we should be ordering railway equipment to a standard that can be sold on the continent?

Chris Grayling MP: Is it not desirable that we seek the best and most cost-effective way of modernising our rather individual railway system without being constrained by other people's standards?

The Chairman: That is a point of view. If the bulk of our exports from the rail manufacturing end at the moment are to Europe, divergence seems a little perverse.

Chris Grayling MP: It is the freedom to diverge. I take you back to the very real example of the platform heights on HS2. Why should we have to follow a European standard that does not work for the United Kingdom and would prevent us providing disabled people with level access to the trains on HS2? That is a European rule and it is there for circumstances in the European Union, but I see absolutely no reason on earth why we should try to follow that.

The Chairman: As I said, that relates to the network, operations and ancillaries. The manufacturing side is the high value added for this country.

Chris Grayling MP: That is true, but if I go to the Middle East or North America to try to help UK plc win rail contracts, UK plc needs to produce a product that meets the standards of those countries. If you are a successful business in the UK, selling in three or four continents, you are almost certainly going to have to produce products with different specifications to meet the needs of those continents.

Lord German: I suppose the argument is that if you have a marketplace that you currently know and you are building into a marketplace that does domestic as well as European, that is a very large marketplace. If you have diverging regulations that means you will have to create two products instead of one. That must be more costly.

Chris Grayling MP: The reality is that that almost certainly does not happen. Most rail products are standard, but there are issues around the costs we have incurred and the work we have done on our network to meet European standards where arguably we probably do not need to. We have a particular network that is a different gauge and a different set-up from the rest of continental Europe. The French and German railways interlink at the border; ours do not. When we are outside of the European Union I can see no reason to lock ourselves into European Union standards for our railways. Of course we have the freedom to follow them if we want, but it is that key point: it is the freedom to follow those that we want, but to say, "That one doesn't work for us and we are not going to do it".

The Chairman: There is one place where we do link up, which is Ireland.

Q62 **Lord Wigley:** To some extent my question has been covered by Baroness Randerson when she drew attention to the evidence we had from Translink, which drew a distinction between an agreement on passenger transport between the UK and the EU as a whole and the possibility of bilateral agreements, particularly in the context between the UK and the Republic of Ireland. You touched on there being some discussion going on. Is there anything that you can amplify?

Chris Grayling MP: As I said, I met my Irish counterpart last week. Suffice it to say that there is a desire to ensure that things flow smoothly. Most of the discussions about what happens if there is no deal will take place when we get to that point, which logically would be in the next

month if it were to happen, but there is a desire on both sides to ensure that things like that are resolved.

Lord Wigley: The main thrust of that would be between the north of Ireland and the Republic, but the question might arise in the context of Holyhead as well. Are you having any discussions in that context?

Chris Grayling MP: I visited the port of Dublin last week as well. The issues are much more at the Dublin end because we do not intend to put in place at Holyhead things that restrict the flow of lorries into the United Kingdom. The key at Holyhead will be if there are problems the other way. I was quite reassured by my discussion at the port of Dublin. It has clearly done a lot of thinking and set aside land for any checks that need to be carried out. My sense was that Dublin will cope in a way that would be easier for it to achieve than Calais. The volumes going through Dublin are very different from those going through Calais. Calais faces a bigger challenge. I simply do not see an issue at Holyhead because we will not be trying to stop lorries going to Holyhead. If we put in place custom systems, they will be done electronically. If we have to do any checks, they will be done away from the ports. I am not concerned about real congestion coming in at Holyhead. Actually, the nature of the Holyhead-Dublin route is ferry-based. Although there are both ships and the tunnel, the short straits are virtually a continual conveyor belt, which is not the case in Dublin. Dublin can cope with the flow of lorries into the Republic even with checks.

Lord Wigley: You have a working relationship, obviously, with the Government in Cardiff regarding the road situation in Holyhead itself.

Chris Grayling MP: We do not expect a problem for Holyhead.

The Chairman: Does what you have just said imply that we will have a bilateral agreement with the Irish Republic?

Chris Grayling MP: No, we expect there to be a number of bilateral agreements if necessary. Clearly it is advantageous, even if we are in a broader no-deal situation, that we have sensible agreements on things such as aviation with the EU. That is quicker and easier than doing it bilaterally. Its view on aviation has been that it would want to do that. On the interaction between us and the Republic, we will have to resolve things such as cross-border bus services between us. For things such as the flow of ferries and checks at the border, I do not envisage the kind of challenge that we have at Dover and Calais existing between Holyhead and Dublin.

The Chairman: Can we go to sea again? Lord Russell.

Q63 **Lord Russell of Liverpool:** A lot of concern was stated by the industry about the need to have close co-operation with the European Maritime Safety Agency and, in particular, UK participation in programmes such as SafeSeaNet, CleanSeaNet and THETIS. What is the view about the nature of the co-operation that will deliver on the issues that the industry is

clearly concerned about?

Chris Grayling MP: We have not had detailed discussions about EMSA for a deal scenario, but at the very least I would expect co-operation to continue. We have certainly said that we would remain part of EASA. I do not feel the same imperative for EMSA, but I would expect collaboration to continue. Lucy, do you want to add anything?

Lucy Chadwick: Certainly we referred in the White Paper to wanting to continue to be a participant in EMSA. There is mutual benefit. As we have gone through thinking about our no-deal scenarios we have thought about how we continue to manage our interlinkages between the EMSA systems. These are important for pollution control around CleanSeaNet as much as mutual recognition of safety issues through things such as the THETIS system. We are doing an awful lot of work right now to get those IT links in and ready, were we to find ourselves in a no-deal situation. That is clearly not our preference. We would like to be a participant in the way that we are now. Indeed, our discussions to date do not suggest that there is any reason why EMSA would not want us to be; it would welcome us as a continuing member in the same way that the Secretary of State regards EASA in the aviation sector. It sees us as a welcome member and an important member state.

Chris Grayling MP: It is not a must, but where it is sensible to continue to participate in international bodies we are happy to do so.

Lord Russell of Liverpool: To avoid unnecessary duplication seems a no-brainer.

The Chairman: Thank you for that. That goes a little further than the agencies listed in the Chequers proposition.

Chris Grayling MP: My point is that we are open but not committed. We think that it is sensible to remain in EASA. We are perfectly happy to have a discussion about EMSA. My point was that I do not feel a need for us to stay there. We would certainly want to carry on co-operating. We have actively proposed that we would stay part of EASA. I would not rule out EMSA but it is not on our list of things that we think are imperatives.

Lord Wigley: What do you regard as the opportunities that Brexit presents to boost the UK's maritime sector?

Chris Grayling MP: Clearly, a lot will depend on where we finally end up on agreements. My view is that the United Kingdom outside of the European Union must become a more globally focused nation and seek to become an even stronger trading nation. That provides opportunities for the maritime sector. As we look to negotiate free trade agreements around the world there is clearly an opportunity to increase levels of trade into the United Kingdom. Our maritime sector is well placed to take much of that.

Lord Wigley: I am conscious that the Prime Minister said in February that she was open to the possibility of the development of free ports. Is

that still on the agenda?

Chris Grayling MP: We are very much open to that. It is not something that we are doing right now, but it is something that she is open to and I am certainly open to.

Lord Wigley: That has specifically been stated by the Welsh Government as being an objective of theirs. Are you in co-ordination with them on that?

Chris Grayling MP: Not specifically, but not in any way not, if that makes sense. We have not got on to the issue yet because we are still part of the European Union, but it is certainly something that will be a matter for serious discussion in the future.

Baroness Noakes: There is the TEN-T network in the North Sea-Mediterranean link, which we host. Can you say what Brexit would mean for UK participation in that corridor?

Chris Grayling MP: That will change anyway because the European Union is already reshaping it around our decision to leave. These things are lines on paper more than anything else. The European Union does not intend to continue to include the United Kingdom as part of that corridor, but frankly I do not think that makes a lot of difference to anything.

Baroness Noakes: So we would have no desire to seek any particular participation?

Chris Grayling MP: We do not rule things out, but it is not something that is particularly on our agenda at the moment.

Q64 **Baroness Randerson:** This is a totally different topic, Secretary of State: how will Brexit affect our ability to influence vehicle standards? In your recent White Paper the Government proposed a free trade area based on a common rulebook and the UK will therefore need to develop new ways to retain our influence to ensure that current high standards continue. Could you explain exactly what new ways you plan to develop?

Chris Grayling MP: The standards are now becoming more global than continental in nature. The individual influence of the EU will diminish in this respect as well. These start to become things that are decided on a global basis. One of the things that is a clear reality is that no manufacturer will produce a vehicle for an individual market. By definition, automotive standards will be and remain international. As I said, the level of setting standards rises above even the EU level. We will remain active participants in international bodies that shape these standards and we would expect to have as much influence as any other country doing so.

Baroness Randerson: But the EU as a group of 27 will obviously have a very big voice in this worldwide. I am sure that you would acknowledge that. The point was made to us by the SMMT that China now follows EU rules. Do you not feel that we are therefore relegating ourselves as a less

important voice in the setting of those standards?

Chris Grayling MP: Not particularly, because, as I have been saying, increasingly these standards are set globally. The reality is that cars are built internationally. They are built and shipped all over the world. Standards are increasingly set globally. I am not concerned that the United Kingdom will somehow be unable to contribute. We will have a say in the international bodies that set the standards, way above European Union levels.

Baroness Randerson: But we have been very proud to have a major voice within the EU, Europe and UNECE in setting the current standards and maintaining high environmental standards.

Chris Grayling MP: Your assumption is that you have more power being one voice in a QMV system of 28 than you have being an influential and well-regarded nation around the world. I differ on that. The United Kingdom's voice in global and international bodies will, if anything, be stronger than it is today because we are a much-respected nation with big influence round the world. With our own distinctive voice we will have at least as much, if not more, influence, frankly, than we have at the moment.

Lord Liddle: The fact is that we have a crucial influence on EU standards and EU standards set standards for the rest of the world. Britain on its own will not be able to match that.

Chris Grayling MP: As I said, standards are now decided above the EU level in global forums where I believe that we will have as strong a voice as anyone else because we are a respected nation. We will not be one of 28 trying to form a common view; we will be able to argue our own viewpoint. I guess you and I probably would not agree on that.

Lord Liddle: It is not a matter of opinion; it is a matter of objective fact.

Chris Grayling MP: I would say that it is a matter of subjective opinion.

Baroness Randerson: I think it is something that we will not agree on.

Chris Grayling MP: I spotted that. We have had a few of those discussions in the last couple of years.

Lord German: If you wanted some evidence, the secretary-general of the Global New Car Assessment Programme—global being the operative word here—said that we will be, in a way, making mini-decisions “to be taken alongside the ‘mega decision’ already taken by the EU ... So, outside the EU, even in the UNECE, the UK will effectively be just a rule taker”. This is the body that has responsibility globally—the one you aspire to. What would you say to him and to the Global New Car Assessment Programme, which is the one we are talking about here and the one you have aspired to, when he says that we will in effect be a rule taker making mini-decisions against the mega-decisions taken by the EU?

Chris Grayling MP: It is actually the case that the EU does not now take all decisions. This is a global industry, with global technologies. Decisions about the direction of the industry are taken just as much in Asia and the United States. To a more substantial degree than ever, Asia is influencing these things. We do not live in a world that is dominated just by the EU. We will be part of global forums that influence and shape. We will be innovators in the UK, introducing new technologies. You and I will not agree on this, I am afraid.

Lord German: I was asking the question about the people you referred to, the global decision-makers. That is what they say, not what I am saying.

Baroness Noakes: It is a charity, not something global.

The Chairman: I declare an interest as chair of the Road Safety Foundation and also of Environmental Protection UK. On both the air quality side and the road safety side, Europe has set the standards to a large degree. There are American standards as well, but markets such as China have decided to adopt the EU standards. It may be that we are not very good at enforcing those standards in some ways, certainly on the environmental side, but the standards as such have been set initially by the EU. I find it slightly at odds that what you are saying in regard to vehicle standards is a bit different from what you have implied in relation to EASA and aviation standards, and a bit different from the Chequers commitment to a common rulebook. I appreciate that standards are not quite the same as rules but nevertheless—

Chris Grayling MP: But the question was: how do we influence standards in the future? My answer is that, increasingly, those standards are not set simply at a European or US level; there are more global forums taking decisions about these things than was the case previously. We will be represented in those forums in the same way that we are represented in ICAO over aviation. Our judgment is that it is sensible for us to remain part of EASA. I am relaxed about our influence in the automotive sector because that industry is increasingly global.

Lord Russell of Liverpool: There are many areas where you might be in disagreement with many of us. Would you agree that one area where the rest of the world will not necessarily be looking to the UK for world-leading expertise—given the experience of the last two years—is our skill in negotiation?

Chris Grayling MP: You are prejudging where we will get to.

The Chairman: We will not go down that road; nobody is going to prejudge.

Q65 **Baroness Donaghy:** Mine is a general question, Secretary of State. You have been reassuring in detail, whatever our political views, but the tone adopted by those who come to give evidence to us on our inquiry has been totally different. They do not see any reassurance. They have said

that there has been very good liaison with the department. They are full of praise for the civil servants and the access that they get but, particularly with the road transport and passenger transport people, the tone has been absolutely uncompromising. They do not see anything good about the new arrangements. That is not the Committee speaking; these are the people who have given evidence to us. Are you satisfied that there has been adequate liaison with those bodies on a regular basis and can you explain why the tone of their attitude is so different from yours?

Chris Grayling MP: They want—and have wanted—certainty. We cannot, up to the end of negotiations, provide certainty. They would love me to be able to say, “This is exactly what is going to happen after 29 March”. I am not in a position to do that. I can tell them what will happen on the UK side, which is that we will maintain free-flowing borders and we will not have queues created by UK checks. I have been very clear in saying that to them. I have also said that I cannot speak for the French or for the European Union. They might like me to do so, but I cannot.

Q66 **Lord Aberdare:** I have another general question, Secretary of State, on the other side of that. Inevitably, this discussion has focused on the many challenges and issues that you are having to tackle across your portfolio. Is there anything you can tell us about the other side about what you are hearing from the industry and others about some of the potential opportunities? You talked about some things, such as platform heights, and the possibility of free ports and vehicle standards. Do you have a little agenda of things that might—once you have sorted out all the challenges and problems—prove beneficial and provide real opportunities for us and for the different segments of the industry that you have been talking about?

Chris Grayling MP: The most obvious example of that is the United Kingdom’s desire to take control of its international trade policy and to shape a raft of new free-trade agreements around the world which, by definition, will create more opportunities for the transport sector. Whether it is the third runway at Heathrow opening up new routes to emerging markets where we have negotiated trade deals, or greater maritime activity, these are opportunities that will come to the United Kingdom in a world where we are creating new trade opportunities.

Lord Wigley: I will take on the theme we had where—

The Chairman: I must just say that we are approaching the end of our time, so we will need to round up shortly.

Lord Wigley: Very rapidly: we had representations from small hauliers who are petrified. One told us how frightening a no-deal Brexit would be for small hauliers. He said, “If we have no deal I cannot see how I could survive”. He complained that he was not getting the information needed to make decisions now. Are you reaching the smaller business people as well as the larger groups?

Chris Grayling MP: We are endeavouring to do so. The point to remember about the haulage sector is that, for many years, it has complained about how much business it losing to EU hauliers. We have a very small—disturbingly small, actually—proportion of freight in and out of the United Kingdom that is carried by UK hauliers. Cabotage within the United Kingdom is worth more than the entire value of the UK haulier-controlled import and export trade. I do not believe, in business terms, that large or small hauliers have anything to fear from what will happen. I believe we will have a sensible agreement, with trade moving smoothly, which will not affect current businesses. I do not see a situation in which the level of haulage suddenly plummets. Actually, UK hauliers have spent many years telling politicians that they are being disadvantaged. I am not in favour of moving to a protectionist environment, but I do not see a situation where there is much less available for UK hauliers in the post-Brexit world.

Q67 **Lord Boswell of Aynho:** Secretary of State, you will know that our overall EU Select Committee is taking a passing interest in the affairs of the island of Ireland generically; I do not wish to stray into those wider issues now. However, one of the considerations thrown up that is slightly outwith but relating to the scope of this Committee's inquiry is the question of the functioning of UK territory as a land bridge from the Republic of Ireland to the EU 26, if I can put it that way. A substantial proportion of that trade passes through our control. Have you had discussions with your Irish counterpart as to the evolution of this in the event of our leaving, whether under a deal or not? Will the volumes be likely to change, or do you anticipate there will be a fairly steady state in that relationship?

Chris Grayling MP: I do not see any issue. Clearly, I do not know what checks will need to be in place, but I do not see an issue for the flow of trade between the United Kingdom and the Republic regarding the managing of haulage. On Holyhead to Dublin, having been to the port of Dublin, I do not see a problem there.

When it comes to the land bridge, it is very much in the hands of the French. The Port of Calais has given the same assurances to the Irish that it has given to us about keeping things moving freely, but I cannot promise the Irish that their goods will flow smoothly through to the continent. If there is a queue on the M20, there is a queue on the M20—because of hold-ups at Calais or in the Channel Tunnel. The Irish would be as affected as our hauliers would be. I am not able to offer any assurances to the Irish about the land bridge. I am afraid they are in the hands of the European Union in that respect.

I do not think it is possible to create a kind of fast track for the Irish through the United Kingdom. There are two issues with that. First, how on earth is anybody going to know that they have not picked up goods on the way through? Secondly, it would not be tenable to say to UK hauliers, "You are in a traffic jam and the Irish are sailing past you to the front of the queue".

In both respects, I do not think that the Irish can take comfort from the current position. If the French do not keep free-flowing borders at Calais and at the tunnel, it will affect the Irish as well.

The Chairman: There was an indication in the papers that the French had done just that—they had tipped the wink to the Irish that they would be alright.

Chris Grayling MP: They have said the same to us, that they will do their best to keep the border flowing. But the trucks have to get to Calais before they can flow through smoothly. If there is a whacking great big traffic jam in the way then it is in the way.

Q68 **Baroness Randerson:** Secretary of State, can I take you briefly back to your answer to Baroness Donaghy earlier? You are quite right that hauliers and other parts of industry—the whole of industry—want certainty, but they also want two other things: standardisation and no increase in bureaucracy. Both of those fundamentally affect our competitiveness. Are you convinced that you are keeping those two principles in mind the whole time in the decisions you are making about the future direction of transport policy?

Chris Grayling MP: We have no intention of creating additional bureaucracy. We will have UK systems in place but we will keep those as light-touch as we possibly can. Standardisation is a broad phrase that can mean a number of things, but we will not artificially create parallel systems for their own sake.

We have started by adopting the EU acquis into UK law. Both this Government and our Parliament would make changes to that only if there was an obvious and beneficial reason for doing so. There is nothing I would wish to do that, for its own sake or for nationalistic reasons, imposed unnecessary extra bureaucratic burdens. At the same time, we will be a country outside the European Union. I hope and expect we will be able to take sensible decisions in our national interest.

The Chairman: In that context of the future relationship and the need to avoid bureaucracy and administrative costs, as well as straightforward delays, what is the advice coming to you? If, as is rumoured, we are in the customs union for a few years and after that will probably move to a free trade agreement, that will require some infrastructure which might, in location terms, be back from the border. It will be a new technology—a new electronic permitting system for freight, rail, road or sea. We have sometimes been given a horrendous long view of the length of time it takes to put new systems in, which partly relates to customs but also to other issues such as rules-of-origin requirements even within the free trade area. What is the advice coming to you as to how long it would take to get a new system developed, up and running, and located away from the border?

Chris Grayling MP: I am afraid that I am the wrong person to ask about that. That is very much a matter for HMRC. My job is to make sure we

have the infrastructure in place for vehicles to flow in and out, as we are doing, and to deal with eventualities. That is something you would have to get Treasury Ministers to answer.

The Chairman: It is not entirely a customs issue; it relates to other things besides literal tariffs.

Chris Grayling MP: In a border situation where systems to handle are in place, smooth flow at the border depends on how many booths you have to manage it. If you have one booth and loads of traffic it takes much longer than if you have 20 booths and less traffic. Our approach will always be to maintain the most free-flowing border possible. The reality is that in places such as the Port of Dover there are practical things that prevent you doing otherwise.

The Chairman: If you have more requirements on notification of freight traffic, even though that might have been cleared in the middle of the country, you have to have a new system. We are intending to move to a new customs system anyway, but everything else needs to be built into that new system. All previous changes have taken rather longer than anticipated—the shift from CHIEF to CDS arrangements has taken longer and is running into greater problems than expected.

Chris Grayling MP: The Government's focus has been very clear all along in saying that, in all circumstances, our initial priority will be the free flowing of goods.

The Chairman: Okay, and I need to ask HMRC how long it will take to deliver its new system.

Chris Grayling MP: I am afraid so.

The Chairman: Thank you very much. I will ask you two more quick things. First, is there anything you would like to say which we have not covered?

Chris Grayling MP: I do not think so.

The Chairman: Thank you for helping us with that. Secondly, we have talked entirely about surface transport. You have on occasion cross-referred to aviation matters. We will be returning to aviation in some form; we met with the aviation industry earlier in the year. Is there anything that you would like to steer us towards relating to aviation so that we can at least start from knowing where your thinking is at this point?

Chris Grayling MP: It is worth putting on record that there has been a lot of talk about whether the planes will stop flying. As part of its no-deal documentation, the Commission yesterday released documentation saying there is no question of that. In a no-deal scenario, it will want to agree arrangements to continue flights between the UK and the European Union and vice versa. That is worth putting on record for people. There are lots of questions such as, "Can I get on holiday next summer?" The

answer is that we are very clear that you can, the EU is very clear that you can, and planes will carry on flying after Brexit.

The Chairman: That is a great relief to all of us. Thank you very much indeed Secretary of State and colleagues for giving us your insights. We recognise that we are in a delicate situation. We have pushed you a bit but we recognise there are limitations to what you can say. Thank you.