

Road Haulage Association (RHA) – Written evidence (FFT0031)

The RHA represent UK road haulage operators including those operating internationally.

Some operators are stand alone haulage businesses that focus exclusively on operating lorries, many others have a much wider focus on providing a full logistics services for customers. As a result there is a wide variation in the skills and understanding of border & customs formalities across the sector.

This variation in knowledge and understanding extends into the businesses that trade between the EU and Great Britain as well as between Great Britain and Northern Ireland. Generally speaking, businesses that do not trade beyond the EU now have low levels of understanding on the burdens that will be placed on UK & EU traders from 1.1.21.

- **To what extent does the model provide for (1) the simplifications and (2) the clarity that both traders and hauliers need to be ready for the end of the transition period?**

On point 1, the two main simplifications are the ability for GB importers to defer some customs declarations from 1.1.21 for up to 6 months and for hauliers to defer until having to complete Safety & Security (Entry Summary or ENS) declarations on goods entering GB from the EU. (there are others relating to food, but I will put that to one side for now). These 2 simplifications are available for imports from the EU until 30.6.21

It is important to note that the deferral of customs declarations will not apply for goods entering by road under the Common Transit Convention, TIR or ATA Carnet processes. TIR is small volumes, ATA Carnet processes are for goods entering or leaving temporarily, these will be significant volumes but not when compared to overall flows. **The volume of road haulage that will use the Common Transit Convention will be very significant.** If the rules apply as was expected for the original no deal Brexit, then all goods moving from French ports to GB by road from outside France will have to move using a transit process (either Common Transit Convention or TIR). In that case the large majority of goods entering will not be able to use the declaration deferral.

We also understand that many importers may not defer declarations as it will be simpler for some to do it at the time of import.

Given these two points, and that the simplifications apply to the GB side of imports only, the number of clearance declarations to be avoided in January is likely to be modest. We have seen no assessment from HMRC on how the deferment of declarations will impact the volume of declarations to be made in January 2021 when system pressure will be at its greatest.

The deferral of having to make safety & security declarations is a significant simplification for hauliers entering GB from the EU for the first 6 month.

However, current plans for the declarations from the EU from 1.1.21 will add massive bureaucracy with separate systems for pre-notification for customs declarations and safety and security declarations. These separate systems do not allow recycling of data already therefore we will in effect see an almost doubling up of import declarations – in effect significant amounts of data gets entered twice (once on behalf of the trader by a customs broker and once by the road haulier or a broker who acts for them). From 1.7.21 the Government is in effect asking for the same data to be given into two separate Government systems by two separate parties in the supply chain – this is shockingly bureaucratic and inefficient and flies in the face of what the logistics industry has been saying for the last 3 years or so.

On point 2, clarity, there are gaps for traders and hauliers. Communications are not good enough to help businesses that come to the requirements fresh.

The biggest problem is that traders are not being told effectively what the initial steps are. Getting a customs broker is useful advice and will be needed for those who do not have one. But in reality step 1 on any international transaction is defining the terms of sale for each transaction – it is this (INCO terms) that defines who is responsible for arranging the freight movement, which then defines routing of the goods and the system to be used for customs (pre-declaration or transit for example).

- **Any comments you may have on the additional £705 million funding, e.g. its timeliness and effectiveness.**

Putting the infrastructure required to operate the GB <> EU border for Roll on – Roll off road freight is welcome, but it is far too late. The need to implement customs processes after the end of the transition period has been known about formally since the Withdrawal Act in 2018 – in reality since 2017.

We have 3 new IT systems coming (GVMS, Smart Freight and the new Safety & Security system in mid 2021). The support for the private sector to deliver its part is not £705 million, it is the separate £80 million for training customs agents.

For our sector it is more about supporting the needed private sector investments in new staff, training and IT to facilitate customs & other border processes from 1.1.21. Current rules and limitations around state-aids and heavy restrictions on who can seek funding means that the logistics chain will not have sufficient trained staff in place on 1.1.21.

Training for traders (so they can know what their responsibilities are and what data needs to be processed) is absent at the moment. Government communications often fail to highlight that the GB requirements are just half the story – the EU side of the border also needs to be addressed to complete a transaction door to door.

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