



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

EU Exit Readiness:
Northern Ireland Port Representatives

8 October 2020

NORTHERN IRELAND ASSEMBLY

Committee for Agriculture, Environment and Rural Affairs

EU Exit Readiness: Northern Ireland Port Representatives

8 October 2020

Members present for all or part of the proceedings:

Mr Declan McAleer (Chairperson)
Mr Philip McGuigan (Deputy Chairperson)
Ms Clare Bailey
Mrs Rosemary Barton
Mr John Blair
Mr Maurice Bradley
Mr Harry Harvey
Mr William Irwin
Mr Patsy McGlone

Witnesses:

Mr Maurice Bullick	Belfast Harbour Commissioners
Mr Brian McGrath	Londonderry Port and Harbour Commissioners
Mr Roger Armson	Port of Larne
Mr David Holmes	Warrenpoint Port

The Chairperson (Mr McAleer): I welcome via StarLeaf Mr Roger Armson, the general manager of the Port of Larne; Mr Maurice Bullick, finance and compliance director in the Belfast Harbour Commissioners; Mr David Holmes, the chief executive of Warrenpoint Port; and Mr Brian McGrath, the chief executive of Foyle port. I invite you to commence your briefing.

Mr Maurice Bullick (Belfast Harbour Commissioners): I am sorry, the signal broke up.

The Chairperson (Mr McAleer): Do you want to give an oral briefing to the Committee? When you are ready.

Mr Bullick: Yes. Chairman, would you like me to start, or would you like someone from one of the other ports to start?

The Chairperson (Mr McAleer): No, you can agree amongst yourselves. It is up to you.

Mr Bullick: Thank you very much for the invitation, Chair, and good morning, Committee members. My name is Maurice Bullick, and I am the finance and compliance director at the Port of Belfast. I want to run through very quickly the briefing paper that I submitted. It is one page long, and, hopefully, it is not too difficult to digest. The purpose of today, as the Chair said, is to give a briefing on the level of preparedness for Brexit.

The starting point is that the port authorities generally, and in Belfast, have a perspective on the preparedness for Brexit. Probably the most overarching consideration is for the Committee to understand a little bit about the business model of the Port of Belfast and the other ports as well as our role and how the port industry operates. The simple message is that the Port of Belfast, as the statutory harbour authority, does not engage in any trading of goods across the port, either in or out. The port authority is, basically, an infrastructure provider. We provide the docks, quays, transit in and a lot of the physical infrastructure. We also provide safety of navigation, marine infrastructure, dredging, a piloting service and stuff like that. We provide various maintenance facilities to the infrastructure and maintenance support, but the actual carrying and throughput of cargo is done by a number of other parties.

It is probably best if I give you an impression of who those parties are. We have the individual traders, who are the owners of the cargo that goes through the port; the various haulage companies and hauliers that carry goods through the port; the shippers, who run the ships in and out; and the port authority itself, which provides marine navigation and *[Inaudible.]* Probably for the purposes of this discussion, the most important process is the role that involves the various government agencies in the port. DAERA is, obviously, very key, but so is HMRC, and it is responsible for the process of any checking that goes on with other agencies, such as Border Force. Alongside those agencies, we have an array of various port service providers *[Inaudible]* that act, basically, as intermediaries for cargo owners, hauliers and the like. A whole ecosystem of businesses make up the operation. The port authority has a particular role in that, but that is not all-encompassing or anything like that.

That is probably the starting point. That is why I said at the very start that we can give our speculative views because we are engaged in various aspects of it, but the people who are most directly affected by the Northern Ireland protocol will undoubtedly be the traders, hauliers, shippers and *[Inaudible]* and how government bodies respond to that.

The Port of Belfast is the largest cargo-carrying port in Northern Ireland. Just under 70% of all trade from Northern Ireland goes through the Port of Belfast, according to the recent report from the Department for Transport. To give you the overall perspective, about 70% of that trade goes straight to and from the island of Great Britain from Belfast and 70% is probably the overall Northern Ireland figure, judging by the published statistics from the Department of Transport. In my paper, I point out that there is more export cargo to the island of Great Britain than import cargo.

The most important part of the trade in considering the impact of Brexit is roll-on roll-off (RORO) ferry traffic, and that is the area that is going to be impacted. It is about 50% of our traffic overall, and all that traffic goes to and from the island of Great Britain. At the moment, it operates on the basis of free flow between both parts of the UK internal market, but that, quite clearly, will change to an extent. That is the focus of today's session, and I take it that it is the focus of the Department. That is not to ignore the other 50% of our traffic, which goes through by either the bulk mode or the lift-on lift-off (LOLO) mode. We do not see any particular issues with those; we see the issues arising in the 50% that is roll-on roll-off, all of which goes over to GB.

Probably the best way to express the situation is to say that all that cargo has been operating on free flow, and the overall objective of the ports — I am speaking for Belfast, but I imagine that the others will agree — is the preservation, as much as possible, of free-flowing traffic, because the island of Great Britain is such a large trading counterparty with Northern Ireland. That is the first thing.

This issue goes directly to the level of preparedness. I cannot give very much reassurance to the Committee about the level of preparedness for two reasons. The first reason is that we know that there is a considerable body of work going on with DAERA officials, and we also know that there is a considerable body of work going on in HMRC. However, there is a lot of risk and uncertainty in the process because the preparations thus far seem to be largely dependent on the UK/Northern Ireland protocol Command Paper that was issued in May 2020. Since then, the UK issued, on 7 August, some more detailed guidance on trade flows, and some more information has come out in the last few days. Basically, all the preparations seem to be centred, from our perspective, mainly on the Northern Ireland protocol as expressed in the UK Command Paper. The Committee will probably be more aware than I am that the final form and outworking of the Northern Ireland protocol has yet to be agreed with the EU and the European Commission. That requires Joint Committee approval, and we have no line of sight to that at all. So, that is a risk and uncertainty.

If we have two messages for the Committee, they are, first, it should consider the importance of the preservation of free flow and maintenance of as free a position as possible on trade with minimal friction; and, secondly, that, until the Northern Ireland protocol is agreed in its full form, the people who are responding to it — I mean that they are not so much us but others, including traders and

government agencies — will still be operating on an assumed and not a final basis. That is the main thing that I will say about that.

I commend the work that DAERA officials have been doing since the very outset of this process. They have been very proactive, and we have been able to work and liaise with them very well in developing the position. I understand that the Committee had a much more fulsome briefing a couple of weeks back from the permanent secretary of DAERA. To be honest, I do not have much to add to that. I quickly read through the minutes of evidence from that session, and, to be honest, a lot of it was quite technical and went over my head, but *[Inaudible.]* DAERA is obviously pivotal in the delivery of the Northern Ireland protocol.

The other government agency is HMRC, which is the lead agency in deployment of the goods vehicle movement service (GVMS), and I note that, in one of the questions that was submitted — it was supplemental to the invitation — we were asked for a view on GVMS. It is fair to say that, from our perspective, the operation of GVMS is pivotal to the effective delivery of the Northern Ireland protocol, because that is one of many computer systems operated by government that will enable the shipping companies to load trucks on the GB side of the Irish Sea for transit to Northern Ireland.

I will stop there, Chair. To quickly summarise, from our perspective, the two key agencies in delivery are DAERA on the sanitary and phytosanitary (SPS) side and HMRC on the GVMS side. That is a bit of a simplification, and there are many different strands of work going on in other government agencies, but, from our perspective, those are the pivotal ones. I will conclude my remarks for now, Chair, if that is all right.

The Chairperson (Mr McAleer): Thank you, Maurice. We will move to whoever wants to speak next.

Mr Roger Armson (Port of Larne): Good morning, Chair. This is Roger Armson from Larne Harbour Ltd. Can you hear me OK?

The Chairperson (Mr McAleer): Yes, Roger.

Mr Armson: Thank you, Maurice, for your very clear and concise description. I have just a few things to add to what Maurice said. There are two or three things in my mind. I am also general manager of P&O's Larne to Cairnryan service, so I have a dual view on it.

The first point that I will make, and I echo what Maurice said about working effectively with DAERA, is that the Department has certainly been impacted by the length of time that it has taken to receive authorisations to go ahead and get quotations etc for the facilities that we need to build. My opinion is that those bespoke facilities will not be ready by the end of the year. However, from the point of view of Larne port, I confirm that we are in consultation and discussion with DAERA, and I am as satisfied as I can be that we will have a contingency in place by December.

Physical infrastructure is not my main concern. Picking up on the point that Maurice made and with regard to discussions that I have been involved in with HMRC on the subject, the operation of the GVMS is a significant concern to me. My honest opinion is that the system will not be effectively ready *[Inaudible]* I asked HMRC if *[Inaudible]* —.

The Chairperson (Mr McAleer): Roger, we lost you there. We have lost you, Roger.

Can we perhaps bring in Foyle port? Brian, are you there?

Mr Brian McGrath (Londonderry Port and Harbour Commissioners): Yes, I am happy to step in and give the tech a chance to catch up with Roger.

I will just echo much, in fact, all of what Maurice said. I suppose that Foyle port is different inasmuch as we serve a city, regional and cross-border economy in Derry/Londonderry, where the vast majority of the trade that comes through here is destined for the border region. In that sense, we are not as impacted by the protocol structures on east-west or west-east trade between GB and NI.

We, too, will say that work with DAERA officials has been very positive. There has been really strong engagement. Although it was late in the day because of political constraints, once we got a chance to engage with the team there, we found it to be absolutely first class.

The arrangements for Foyle are well defined and well in hand. Like Larne, we suggest that it is unlikely that GVMS will be ready by 1 January, but there is a contingency in place that will not impact our business. Of more concern to us is the interaction that we require with HMRC, particularly on bulk trade. Foyle port operates in bulk commodities. We do not have RORO or LOLO ferry services here. There are issues in how we implement GVMS for the kind of cargoes that we bring into Foyle port.

We are engaged in very positive conversations at this time with HMRC and Border Force. However, similar to the situation with DAERA officials, the extent of political uncertainty means that those conversations have started really late in the day. Whilst we were on many calls through the summer on quite generic and superficial levels, we have only really now, in recent days, been engaged in a very focused set of conversations with officials about how these things will impact Foyle port and our customers. I reiterate what Maurice said inasmuch as we are a trading platform, not a trading organisation.

We have serious concerns about the traders, the agents and the shippers being able to comply with the new arrangements that are coming in within, say, 80 days or so of finally leaving the EU. There is positive engagement with DAERA, and that is very encouraging, but there is still much to be agreed in the Joint Committee and in the negotiations before the Northern Ireland picture is fully clear.

The Chairperson (Mr McAleer): Thank you, Brian. Roger, are you back online? Can you hear me?

Mr Armson: I can certainly hear you, if you can hear me.

The Chairperson (Mr McAleer): We can hear you too, Roger. Work away.

Mr Armson: Perfect. I am on one of our ships at the moment. Very briefly, I want to make a point about GVMS. My opinion is that it will not be ready by the end of this year and that, if it is ready, it will impact the flow of traffic into Northern Ireland. I strongly recommend, if it is in the Assembly's power, it should delay its implementation until 1 July next year, which will be the same for traffic coming out of continental Europe and into the UK. I just do not think that it will be ready. I asked on Tuesday that it be tested from 1 December, and that was refused by HMRC. That is the only additional point that I wanted to make on that matter.

The Chairperson (Mr McAleer): OK, Roger. Thank you. We have David Holmes from Warrenpoint Port on our list today. David, are you there? No, we do not seem to have David.

Those were the oral submissions. A number of members want to ask questions, so I will kick off.

Maurice, your report on Belfast port states:

"a project is underway to establish enhanced designated point of entry facilities in Belfast Harbour to allow physical checks to take place".

Where is the port with planning applications and scoping all that out? A couple of weeks ago, we heard from DAERA officials, who said that they are still engaging with planners and assessing the needs. Where are you with that project and the plans for any particular checks that might be needed?

Mr Bullick: Thank you, Chair. I heard that question, so I will respond to it specifically. The first thing to note is that the project for establishing the point of entry for inspection control is a DAERA project; it is not a Belfast harbour project. The Department is constructing that. We know where the site for the bespoke facilities will be. Some time back, we reached an agreement in principle with DAERA about the location. We believe that it has now carried out the design for that. We are on track with DAERA on a liaising and assisting basis throughout. The physical location is land that the port will provide to DAERA. That is the first thing.

On your specific question about where the Department is with the project, that is really for it to answer. Our best understanding at the moment is that it has submitted paperwork to do with planning, which I believe is being done under permitted development rights. DAERA will have provided that directly to the planning authority. It is also out in *[Inaudible]* facility. Of course, there are a lot of other things going on besides that. From our perspective, we believe that DAERA is in the process of planning and tendering for the construction. I have to make it clear that I am obviously not authorised to speak for DAERA and that I am not interacting with it directly, but that is the situation.

Just to go on a little bit from that and echoing the points Brian and Roger made, it now seems fairly clear that the port facilities will not be ready by 1 January but that contingency arrangements could be in place. That is the summary of where we are on that, really.

The Chairperson (Mr McAleer): Thank you, Maurice. Roger, you mentioned that the GVMS will not be ready by the end of the year. What will be the implications of that not being ready, and what possible contingencies could be put in place?

Mr Armson: It all depends [*Interruption.*] Sorry for that interruption, we have a few announcements on the ship. It all depends on what stance the authorities take on that. Just to be clear, that statement is my opinion based on my experience of putting systems in place. We have only 10 weeks to the end of the year, and there is still a lot of talk, discussion and debate about the systems going on, so that does not give me confidence that it is going to be ready.

To come directly to your question, in theory, if that system is not ready, that will have a significant impact on trade flows between GB and NI. The authorities will then need to decide on a way to allow that traffic to flow. That is really my answer to that, and that is why I suggested that the requirement to utilise GVMS should be delayed until some time next year in line with the traffics coming out of continental Europe into the UK.

The Chairperson (Mr McAleer): Thank you for that, Roger. I will move round the room to my colleagues.

Mr Blair: Thank you, Chair, and I thank the port representatives for the oversight and detail that they have given us this morning. They touched on what I was going to ask about the working relationship with DAERA. From all that has been reported, it seems to be positive. First, for clarification for the benefit of all on the Committee, what impact was there earlier in the year from any delays that were caused by lack of preparation from the Department? What impact has that had on current planning?

Secondly, what impact are developing issues, such as the Internal Market Bill, having on preparations for the ports? I am thinking about things that were not envisaged a number of months ago but that are now happening. I assume that those must be having some impact on current preparation.

Thirdly and separately, I was made aware yesterday of a council plan — it was Mid and East Antrim Borough Council on this occasion, so this is directly related to Larne port — that 12 environmental health officers, funded by the Food Standards Agency (FSA) and facilitated by DAERA, will be put in place now and will start their training schedule soon. It will then be reviewed whether they cannot be deployed on 1 January 2021 through lack of preparedness. What involvement have the ports had in the preparation for that process? Have they been involved in discussions with councils on that and on how those people can be deployed if they are not ready for their designated post on 1 January 2021?

The Chairperson (Mr McAleer): Do you want to pick up on that, Roger?

Mr Armson: If I could just pick up, from a veterinary point of view, on the last question first, which is about the deployment of DAERA officials. We have an excellent relationship on the ground with DAERA officials. They check all inbound and outbound livestock and some other agricultural products and machinery. They are based about 300 metres from the port gate. It may be that those 12 people are associated with that facility. For any new facilities and protocols going forward from 31 December at 11.00 pm, the operation of those staff is really a matter for DAERA. All the protocols that we have in place and have discussed with DAERA will simply mean that, as a port, traffic will exit the port and proceed to the checking facilities once the bespoke facilities have been built. As for the contingency, they will be directed from the ship to those facilities, and DAERA officials will deal with that. What DAERA does in its facilities is really its concern, provided that it is carried out safely and within whatever agreement we have with it. That is really the only thing that I can say about that.

I forget the name of the new legislation that is coming through, but you know the one that I mean. I am not seeing any impact from it on the port. The basics are still the same. There is to be checking of phytosanitary goods. We reckon that about 1% of goods will be checked on inbound coming from the UK.

Sorry, can you remind me of your first question? It has gone out of my head.

Mr Blair: The question was about the impact of any lack of preparedness earlier in the process and, flowing from that, any changes such as the impact of the Internal Market Bill.

Mr Armson: This is just my impression watching from the outside in, but, from what I understand of the delays, DAERA was extremely diligent in trying to make this thing proceed as fast as possible right from the start. As early as April, I remember receiving emails from one of its senior officials at 23:00 on a Friday night and working with him over a weekend to get things done. I believe that part of the problem that DAERA had was to do with waiting for approvals to proceed on the project. From an operational point of view, I do not see a significant impact because I think that we can put in appropriate contingencies that will mean that, from a facilities point of view, we will have what is necessary to comply with the NI protocol. On the Bill that you mentioned, as I said earlier, I am not seeing anything specific that may impact on our operations that we do not know about already.

The Chairperson (Mr McAleer): Roger, thank you for that. Before I move round to other members, I will bring in the representative of Warrenpoint Port. David Holmes, can you hear us?

Mr David Holmes (Warrenpoint Port): Yes, I can, thank you.

The Chairperson (Mr McAleer): David, I am pleased to meet you. Good morning. Would you like to give an oral presentation to the Committee?

Mr Holmes: Along with the rest of the country, we are waiting to hear what the final Brexit arrangements are. The port has been working very hard, and our staff have been working very flexibly to ensure that we can be ready for every eventuality. We are working closely with DAERA on contingency planning as well as trying to enable construction of the bespoke facilities that will be required for SPS checks.

The Chairperson (Mr McAleer): Thank you, David. What planning stage are you at with your facilities? My colleague Sinéad Ennis raised recently that there is an area of special scientific interest (ASSI) in the vicinity of Warrenpoint Port. Does that have any implications for planning? If so, how can that be mitigated?

Mr Holmes: As DAERA has reminded us, the Environment Agency sits within DAERA, and we trust those processes. DAERA was responsible for applying for planning permission, through a certificate of lawful use or development (CLUD), based on the permitted development rights in the port. Habitat regulation checks are a work in progress, as I understand it.

The Chairperson (Mr McAleer): Yes, I believe that an environmental impact assessment is being carried out there; I was told that a few weeks ago.

I will move on to my colleagues here. Philip?

Mr McGuigan: Thank you for that. You caught me unawares there, Chair.

It was difficult to pick out some of what was said earlier because of the quality of the connection. However, the concerns seemed to be about HMRC issues. How might the trader support scheme affect the work that has been going on? Will more support be required? Are there any opinions about the dual VAT system?

Mr Holmes: As of yesterday, HMRC was still unable to confirm what the protocols will be for ROI traffic coming through Northern Ireland to GB and, likewise, GB traffic coming through Northern Ireland into ROI. In the context of Warrenpoint, where 40% of our cargoes head south, it is vital that we secure clarification on that.

The Chairperson (Mr McAleer): Do any other representatives want to comment on that?

Mr Bullick: May I respond to that very quickly, Chairperson? Unfortunately, I am not sure that my response will be terribly helpful. There was a question about the impact of the trader support scheme. As I said in my opening remarks, in line with the port authority business model, we do not get involved in trading cargo, so we will not be operating a trader support scheme, as it does not pertain to our business. Therefore, without wishing to appear unhelpful, it is not within our remit or expertise to

comment on it, beyond saying that *[Inaudible.]* that is a wider and much more fundamental point on the issue of greater *[Inaudible.]*

Mrs Barton: Did I pick you up correctly? Did you say that you are not going to operate the trader support scheme?

Mr Bullick: The trader support scheme is provided by the Government, not the port authorities. It is a government scheme. As I understand it *[Inaudible]* the traders — those who bring cargoes through the port — can register and obtain services to help them to do the requisite paperwork processes according to the Northern Ireland protocol. *[Inaudible]* the service is also operated by ship agents, so it is, simply, a third-party service. Certainly, the Port of Belfast has never operated ship agency services or anything like that. I imagine that the other ports are similar.

Mrs Barton: OK, so it is of no benefit to you, really.

Mr Bullick: Well, I would not say that. Anything that helps the trader community to respond to the Northern Ireland protocol is most definitely a help if it is effective, for the simple reason that our businesses depend on trade going through the port. Anything that the Government do to help that is a good thing. I suggest that it is very much of benefit to us, but it is not a process that we are directly involved in.

Mrs Barton: You said that HMRC will not be ready. Is that because there has been a total lack of contact from HMRC since the start of the process? Is it only now that it is becoming involved?

Mr Bullick: I think that it was Roger who made those comments. From my perspective, there has been a very long period of engagement with HMRC. However, it would be fair to say that it is only in the last short while, over a number of weeks, that the activity with HMRC has really ramped up. At the moment, it is probably a significant focus of our activity in the Port of Belfast. I will let my colleagues from the other ports comment on that.

Mr McGrath: I would re-emphasise that there were a lot of very generic calls throughout the summer from the protocol delivery group or the HMRC Border Force reps. We are now seeing evidence. I guess that it is because they now have better clarity from their political masters to be able to engage in a more focused way.

Foyle Port's experience, in the last week, has been of a much more focused and engaged response. That gives us some cause for optimism in that we are now finally getting to the nitty-gritty. It is a little bit like the DAERA situation. Officials have been tied very much by political clarity — or lack of it — and now that that is progressing, we are making progress.

Mr Harvey: Thank you, gentlemen. Maurice, in Belfast, you sound to be in charge of the practical and mechanical operations of the port. Have you been made aware of any new roles that you might have? I am specifically looking at the GVMS. Will you be responsible for its operation? I wonder whether there has been engagement with ferry companies and haulage businesses. Has it their backing? The main question is: has there been any training on the new system for you or other users?

Mr Bullick: That question touches on a number of very important points. In my introduction, I said that the successful integration of GVMS into the business is pivotal to the working of the Northern Ireland protocol. You asked specifically about GVMS. It will not be a port system, operated by the Port of Belfast; we have our own port management information system. The GVMS will be a facility operated by HMRC, alongside one or two other key systems, such as the customs declaration service. First and foremost, GVMS is HMRC's system, and it will be operating it.

Brian put it very well a few moments ago. A lot of generic discussion with HMRC has recently focused on very detailed discussions. HMRC recently produced some data for us to look at in the operation of GVMS. It will have, basically, five main levels of operation. It will not just be the port authority; we have a fairly minor role in the GVMS operating model, for the inbound GB to Northern Ireland traffic. It starts with the declarant, who is the trader for the cargo, then the haulier is involved, and the shipper or shipping company. The port authority has an involvement too, and the final participant is the government. The GVMS system, although operated by HMRC, will rely on collaboration from the cargo owner, the haulier, the shipper, the port authority to an extent and government itself. It is a multi-

stakeholder-type system, when it is in operation. That is exactly the sort of detail that is now being examined and worked through with HMRC, as to how it will all work on the ground.

In your question, you made a significant point about the role of the shipping companies. You are absolutely right to point out that there is a strong argument that the shipping companies have a much larger role to play in the Northern Ireland protocol than port companies, to be honest. They are the ones who will have to load trucks on both sides of the Irish Sea. My understanding is that, before any of the shipping companies can load a truck in England or Scotland to come to Northern Ireland, it will have to have an approval number — a goods movement reference (GMR) — issued by HMRC out of the GVMS. I am just summarising one of the routines. You are quite right: the shipping company is pivotal to this. Having spoken to a shipping company, I know for a fact that it is engaged, as we are, with HMRC on how GVMS will operate on the ground.

I pass you on to my colleagues, who may have other points to make.

Ms Bailey: Thank you for the presentations. I congratulate you on the work done so far, particularly, as you have already pointed out, given the lack of agreement and clarity, and the political environment that you are operating in.

Have you any particular issues or concerns about the continued lack of clarity on goods at risk and how that might affect your working environment? Warrenpoint has planning permission in for work to be done, but what is your estimate for the land needed at each port to facilitate the points of entry to mitigate traffic backups? Will lorries and traffic be backed up on to the ferries or will they be taken off and put somewhere? What will the ports look like, and how much space will it take? Have you any detail of what contingency planning is being discussed?

Mr Bullick: I can start, but you will want comments from all the ports. The land check required for the DEARA point of entry inspection facility in Belfast was just under six acres. You are quite right to draw attention to contingency planning. We have reserved contingency land assets as well, and that is additional space that can be made available if there is an additional requirement, and that is probably the best thing that we can do. You are absolutely right: if there is any interruption to traffic, the result will be land consumption, and we have contingency arrangements in place. I have already mentioned, as has everyone, the contingency arrangements for DEARA that are already in place.

What happens if trucks back up is a very good question and one that we always keep under review. Roger will be in a better position to comment on that as he runs a shipping company as well as the port company. My understanding is that, generally speaking, trucks do not just turn up to the port: they are all booked and allocated. If you are not cleared to load the ship, the truck probably should not be in the port. In theory, we should not see any trucks backing up. However, if trucks are held up, we have additional land capability to accommodate them if need be. That is one of the things under constant review.

Under the Northern Ireland command paper, the presumption remains of "unfettered access" between traffic going from Northern Ireland to Great Britain. "Unfettered access" implies that it will operate as it does today, which means that there should be no reason for it to be stopped except in the case of a very few controlled goods, and they are not a huge part of it. The question probably arises on the Scottish and English sides, which is where the focus would be because there is a pre-declaration note, called a pre-lodgement model, linked to GVMS, which means that a truck will not load on the GB side unless it has clearance. Obviously, that depends on how the Scottish and English ports can cope. I know that that is a long rambling answer, but I am summarising the situation as concisely as I can. I will pass it over to my colleagues.

Mr Holmes: I will add to that, if I may. To clarify the last question, Seatruck, which operates out of Warrenpoint, has been immersed in the discussions that we have been having with the government agencies, as they have a pivotal role to perform. As Maurice said, GVMS means that if a consignment has not been pre-lodged, it will not gain entry to the ferry ship. Theoretically, we will not have problem consignments arriving in Warrenpoint, and that will offset the potential queueing issues. We have set aside a very modest two and a quarter acres, which, DEARA assures us, fully meets our requirements. As I said earlier, we are already working on contingency planning. What is essential, although I am not entirely clear on this, is that the EU approves the contingency arrangements.

If there are queues, there is limited additional capability in the port to absorb them.

I apologise for being late for the meeting. Along with the other ferry companies, Seatruck has identified very concerning manning arrangements on the ferries. It had thought that their largely Polish crews would be accommodated by frontier worker status. That turns out not to be the case, and Seatruck and, as I understand it, the other ferry companies, are urgently pursuing some form of derogation for seafarers who are involved in GB to NI ferry crossings. I will pass that question on to my colleagues.

Mr McGrath: I will pick that up from Foyle Port's perspective. We have much less of a problem with some of the interface issues than some of our colleagues who are involved in ro-ro and roll-on lift-off (ro-lo) business in the other ports. The facilities identified by DAERA are modest, and we have allocated them in the port estate. We also have a three-acre site, which was identified as a sort of Brexit contingency site and which was facilitated by a grant from the DFI. In that respect, we are well across it.

Among your initial comments was a really good point about goods at risk. That has yet to be resolved, but it is fundamental that decisions are made about what the categories are and what goods fall into them. As far as it can be organised and prepared for, as the scale of the problem is less at Foyle Port, it is easier for us to be ready in this instance.

The Chairperson (Mr McAleer): OK. Thanks very much.

Mr Armson: I want to pick up on a couple of points. First, I think that DAERA has outlined about seven or eight acres for its facilities at Larne Port. Secondly, the point about the GVMS is critical for the shipping lines.

I do not see a significant issue with queuing on the Northern Ireland side, and most of us have some contingency available in the event that we get a queue. Where I see an issue is on the Scottish side. At the moment, the policy is that if a haulier arrives without a valid GMR, they will not be allowed into the port because, by allowing them into the port, they have the right to ship on board, come into Northern Ireland and go through the HMRC system that will decide whether they will be subject to some form of check following arrival in Northern Ireland.

For those who do not know the ports, the problem with Scotland is that the distance between check-in and the main arterial routes to the central belt and England is very short for Cairnryan Port for P&O and for Loch Ryan Port for Stena Line. You do not need to get much of a delay to start backing traffic up on to those roads. If a unit arrives at the gate that does not have a valid GMR and it is turned round and sent away, there are no facilities in Scotland, where I am now, for that unit to park up. That is a bigger concern, and we are looking at it very closely.

My other point is about traffic coming out of Northern Ireland into GB, and Maurice has already said that there is supposed to be unfettered access. The UK Government have yet to confirm precisely what traffics will be covered under the unfettered access scheme, and, as someone pointed out, there is no advice about dealing with traffic that emanates from the Republic of Ireland and transits through Northern Ireland into GB. Those are some of the key areas.

I will pick up on the point that David made. There is significant concern about crews for ships that are currently based in the European Union. We understand that, as of 1 January, they will not be able to work on our vessels. It is fair to say that COVID-19 has been a massive financial burden, particularly for ferry operators, because, over the summer, it effectively destroyed the tourist traffic that we would normally carry. The current status of COVID-19 is not helping that situation. To say that the finances of shipping lines are in difficulty is perhaps to understate the matter. When you add that to the uncertainties around what we have just been talking about, the risk of interruption to supply chains at the end of the year needs to be raised.

The Chairperson (Mr McAleer): Thank you for that, Roger. I will say something on the back of what Clare said. The prospect of goods not being able to get in is obviously concerning. We have learnt from previous evidence-gathering sessions that 200 lorryloads of goods come here from across the water, every day, to stock our supermarkets. That is those coming in this direction. Could that same principle apply to loads that go from here across to Britain?

I know that unfettered access is guaranteed, but surely there has to be some mechanism for segregating and checking loads for qualified goods and goods that are not qualified. Just as a haulier could turn up at Larne or Cairnryan without his GMR, a haulier could turn up at a port here with loads

of goods that do not qualify. Would the same principle therefore apply? Is there any potential for disruption from that perspective?

Mr Armson: There is. First, I believe that the number of goods that that will apply to will be relatively limited, but we do need the definition of what goods will be subject to those checks. I have suggested to the Scottish Government and HMRC that any checks that are required for outbound traffic should be carried out in Northern Ireland. I say that because we are building facilities in which those checks can be carried out. Why would you not use those facilities in the same way in which they are used on the Dover to Calais route where, under the Le Touquet agreement, checks to exit France and enter the UK are carried out in Calais, and checks to exit the UK and enter France are carried out in Dover? There are therefore UK Border Force staff over in Calais and French border staff over in Dover. A derivative of that sort of agreement would be practical. Once the systems are sorted out, there will be much less of a risk to that goods traffic than to traffic coming into Northern Ireland.

Once the systems are sorted, and once all know what they are supposed to do, have trained staff and have systems that work, GVMS will work in an extremely effective manner. My concern is that we are not able to test it ahead of the time that it goes live, and it is then responsible for allowing the free flow of traffic from GB into NI. That gives me significant cause for concern.

Mr McGlone: Thanks very much, gentlemen, for your presentation. You are the practitioners, and it is you who will be landed with this and will have to try to work through it on the ground. From what I have read, it appears that it will probably be July before GVMS is operational.

Thanks very much indeed, Roger, for your insights into the potential for tailbacks in Scotland. I was trying to work out in my head how it might work. From what I have read, there is the pre-lodgement model, to which you referred, and also the temporary storage model. The Chair was teasing out how that might work for goods coming from Scotland over to here and for goods going from here over to there. You were talking about the lack of clarity around the traffic that may or may not be covered. I am looking at both models. Forgive me, but I am not an authority on ports by any means. I am reliant on you guys to give me the information. You have talked quite a bit about the pre-lodgement model. Is the temporary storage model some sort of fallback position should the pre-lodgement model not be working?

Have you all got sufficient capacity if, for whatever reason, the system is not operational or if we have no deal? In other words, what are your contingency plans in those situations? Everybody is referring to contingencies being in place, but I am short on detail about what those contingencies are or may be. It would therefore be helpful if you could please give us some insight into how you see those models potentially working and into what the contingency plans or fallback positions are in the event of (a) a deal and (b) no deal.

Mr Armson: Thank you. I will take that up from a ferry perspective. Temporary storage does not work with a ferry system. To put it in very simple terms, in Larne, the distance from the bow of the vessel to the port gate is 300 metres. Pretty much all the traffic that comes from Scotland into Northern Ireland is carrying fast-moving goods that need to be on the shelves quickly. The route itself, door to door, is not the lowest-cost route, because of the distance involved. If you are bringing a trailer from Wolverhampton to Dungannon, for example, driving all the way up to Cairnryan adds cost to your operation. The reason that hauliers do that is that they have to stock supermarket shelves for the multiples that we all use today. The temporary storage model therefore does not work. It would simply be an impediment to the free flow of traffic. That is why the carriers and the ports are going with the pre-lodgement model.

I will just say that the point that I made about GVMS not being ready is simply my opinion. I have not had that advice from HMRC. I may be wrong. My opinion is based on the experience that I have in this business. The suggestion of July is simply to bring it into line with what is going on for Continent-to-UK goods.

On contingencies, in the event that GVMS is not ready, to my mind, if there is a will among all parties who are involved in this — I suppose that that includes the European Union — it is not beyond us to come up with some means whereby traffic can be selected for checks and directed manually using the information that the shipping lines and the relevant authorities have. I think that that could be done. I am certainly turning my mind to that now, given the things that I have heard this week. That can be done, but support would be needed, as well as the blessing of the UK and European Administrations.

You had a final point. I am sorry, but it has just escaped my mind.

Mr McGlone: I appreciate your taking time to talk me through that. You have contingencies in place in the event of a deal, but what about in the event of a no-deal situation?

Mr Armson: I suppose that this is the question: what does "no deal" mean? My attitude to that is that Northern Ireland remains part of the United Kingdom of Great Britain and Northern Ireland and that we would continue to trade as we do today. Again, however, nobody has outlined that to me.

Mr McGlone: OK. That is grand. Thank you. Perhaps the other gentlemen have something to say from slightly different geographical perspectives.

Mr McGrath: To be clear, the contingencies that we are saying are in place are physical contingencies. A problem could arise not from that perspective at all but from if we were to get into difficulties over how we operate temporary storage models and the like with HMRC. Officials' interpretation can often be challenging in that regard. For the trade that we do at Foyle port, it is fair to say that not a lot of consideration was given to the handling of bulk commodities in the models for pre-lodgement or temporary storage. We would really need to have facilities to replicate the capacity for, say, grain sheds. We cannot temporarily store 20,000 tons of animal feed on a quay until it is cleared. We are having talks now with the officials to try to find a way through this to see how we can adapt either GVMS or temporary storage models. You can see that that is happening really close to the wire. Although we may be encouraged that we are now having the conversations, those are still uncertainties that are not particularly helpful to our customers at the minute. We think, however, that we are making progress.

One of the big things that we are wondering about no deal is whether the Northern Ireland protocol survives no deal, given the new Bill and the UK Government's interpretation of it. Up until now, we had assumed that the protocol would survive, that we would remain part of the customs union in that regard and that we would deal with that element accordingly. The political uncertainty around the protocol's well-being gives us fairly significant concern. In a black-and-white no-deal scenario, we could lose 40% of our trade. It is a very significant issue for us that the trade flows be allowed to work as they traditionally have done.

Mr McGlone: OK. Thank you for that.

Mr Irwin: Thank you for your presentation. I apologise for not being here for the whole of it. The UK Government promised unfettered access for Northern Ireland goods entering the rest of the UK, but we are not certain about exactly how that is going to work out. We are told that 40% of goods that come into Warrenpoint port go on to the Irish Republic. That is a sizeable percentage. I presume that Larne and Belfast have a much lower percentage. Am I right in saying that those goods will not have to be manually checked because that will be done using technology? Given that 40% of the goods that come in are earmarked for the Irish Republic, it would be very difficult to check those consignments manually.

The other issue for me is that, while negotiations are still going on between the EU and the UK Government, it is difficult for you to know exactly where you stand. The level of preparedness is more difficult, given that none of us fully understands where this is going to end up and how late in the day the final deal will be done.

The Chairperson (Mr McAleer): Do any of you want to pick up on that question from William?

Mr Holmes: I did not hear the end of the question, but the point is well made: none of us does fully understand the full ramifications of what Brexit is going to be. We therefore all have to keep working arduously to ensure that we are ready for it. In the case of Warrenpoint, 40% of goods may head South. With the control protocols, however, such as the SPS systems, as representatives from the other ports have pointed out, it is random sampling. That is not necessarily as arduous as it sounds. It just depends on what the final rules are.

The Chairperson (Mr McAleer): Does anyone else want to pick up on that question from William? No?

Maurice, I will bring you in now.

Mr M Bradley: Thank you very much, gentlemen, for your presentation. It is clear that our shipping operators are at the mercy of the final negotiations between the UK and the EU *[Inaudible.]* As we near the deadline, things will move at pace, and, as they do, there is an even greater sense of urgency to have the necessary infrastructure put in place. We have already heard that *[Inaudible]* —.

The Chairperson (Mr McAleer): Maurice, you are cutting out. We are finding it difficult to hear you. I can hear you better now.

Mr M Bradley: Have your concerns *[Inaudible]* have not been tested as yet? As trade facilitators and as a united voice, do you all agree with Roger that delaying implementing the changes until next year — July was suggested — would be beneficial?

The Chairperson (Mr McAleer): Are you talking about GVMS, Maurice?

Mr M Bradley: Yes.

The Chairperson (Mr McAleer): Can one of you pick up on that?

Mr Holmes: Any provision for derogation in the opening months can only be a helpful thing in the event that systems are not ready. I understand that Roger is saying, based on hindsight and experience, that often new government systems can take some time to cut their teeth. HMRC was extremely confident last week that GVMS will be ready and operational in time. In fact, a sandbox is already available for people to start to familiarise themselves with it.

A derogation for contingency SPS arrangements, and other systems' arrangements, would be a sensible precaution, subject, of course, to the EU agreeing to it.

Mr Bullick: I echo that, Chair. That is our view at the Port of Belfast. Any soft landing period to allow such a big change to come through would be of benefit. It would probably also be of benefit to the wider trader community. Remember that I said that the effects of the Northern Ireland protocol are going to be felt directly by traders *[Inaudible]* cargo, and their hauliers and shippers.

The point that David made about GVMS is the very same question that we have been asking. We have to get in our heads a degree of confidence over whether GVMS will be ready for Northern Ireland for 1 January. No one can speak here officially for HMRC, because it ought to speak for itself, but we are all getting the same message, which is that it is as reasonably confident as it can be, given the circumstances.

The question of an easement is relevant on the island of Great Britain, because the UK Government have effectively put in a six-month easement in stages for goods travelling between the European Union and Great Britain. On the inbound side, arrangements have already been made for a soft landing. To my mind, anything equivalent for Northern Ireland would need political approval from, as David has said, both sides: the European Union and the UK. That would largely be a political question.

The Chairperson (Mr McAleer): No members are on the list to ask further questions. I thank Roger, Maurice, David and Brian for providing a comprehensive briefing and for taking time out of, no doubt, a busy and hectic schedule to address us this morning and for the written briefing. Thank you very much.