

DÁIL ÉIREANN

AN COMHCHOISTE UM THALMHAÍOCHT, BIA AGUS MUIR

JOINT COMMITTEE ON AGRICULTURE, FOOD AND THE MARINE

Dé Máirt, 05 Márta 2019

Tuesday, 05 March 2019

The Joint Committee met at 5 p.m.

MEMBERS PRESENT:

Deputy Jackie Cahill,	Senator Rose Conway-Walsh,
Deputy Martin Kenny,	Senator Tim Lombard.
Deputy Charlie McConalogue,	
Deputy Thomas Pringle,	

In attendance: Deputy Danny Healy-Rae.

DEPUTY PAT DEERING IN THE CHAIR.

Business of Joint Committee

Chairman: Apologies have been received from Senators Paul Daly and Mulherin. Before we begin, I remind members to make sure their mobile phones are turned off.

The joint committee went into private session at 5.10 p.m., suspended at 5.20 p.m. and resumed in public session at 5.25 p.m.

Scrutiny of EU Legislative Proposals: Department of Agriculture, Food and the Marine

Chairman: I remind members and witnesses to ensure their mobile phones are turned off. From the Department of Agriculture, Food and the Marine, I welcome Dr. Cecil Beamish, assistant secretary general, Ms Josephine Kelly, principal officer, and Mr. Colm Ó Súilleabháin, assistant principal. I thank them for appearing before the committee to discuss EU legislative proposals COM (2019) 48, proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No. 508/2014 as regards certain rules relating to the European Maritime and Fisheries Fund by reason of the withdrawal of the United Kingdom from the Union; and COM (2019) 49, proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No. 2017/2403 as regards fishing authorisations for European Union fishing vessels in United Kingdom waters and fishing operations of United Kingdom fishing vessels in Union waters.

I draw the attention of witnesses to the fact that by virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to do so, they are entitled thereafter only to a qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and they are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the House or an official either by name or in such a way as to make him or her identifiable.

I understand Dr. Beamish is going to give us a briefing on the issues so far, which we requested last week.

Dr. Cecil Beamish: I thank the committee for the opportunity to discuss the recent proposals from the European Commission with regard to fisheries, a sector of the economy that is uniquely exposed to the negative implications from a no-deal or disorderly Brexit. Under the transition period as set down in the withdrawal agreement agreed between the UK Government and the EU, there would be no change to the current situation in respect of fishing during the transition period, up to the end of 2020. The Government's position is that it hopes that a no-deal scenario can still be avoided and that the withdrawal agreement with the United Kingdom

can be concluded, but it must also be prepared for all possibilities.

On 30 March 2019, if the UK leaves the European Union without agreement, it also automatically leaves the Common Fisheries Policy, CFP. The UK will then become a third country or coastal state in its own right under the UN Convention on the Law of the Sea, UNCLOS. The UK would, if it so chose, be able to immediately close its waters to EU vessels. This would mean that the *status quo* in which Irish vessels can freely fish in many areas of the UK exclusive economic zone, EEZ, and *vice versa*, could be altered immediately. On the issue of access to waters, there has been no clear unequivocal message from the UK Government. The Secretary of State, Mr. Gove, made a remark last October that could be interpreted as meaning that the *status quo* on both access and quota would continue for 2019 even in the event of a no-deal Brexit. However, much has changed since October. The UK Government's guidance note on the fisheries sector and preparing for EU exit, published on 1 March 2019, states that "access to waters will change if the UK leaves the EU without a deal" and that "non UK vessels will no longer have the automatic right to fish in UK waters". While the position on access is not clear, the possibility that all EU vessels and hence all Irish vessels would be excluded from the UK zone in the event of a no-deal Brexit is certainly one possible scenario.

In the context of that possible scenario, the Commission has put forward two separate technical proposals relating to fisheries. Under the European Maritime and Fisheries Fund, EMFF, it is possible at present, under certain limited circumstances, to provide temporary financial aid to vessels for the cessation of fishing activities for a period of time. The purpose of the Commission proposal is to amend the EU regulation for the EMFF to widen those circumstances to cover vessels that would be significantly impacted due to their exclusion from UK waters. There are limits to how much fishing effort could be redirected from UK waters to EU waters for many reasons, including the sustainability of fish stocks, the cost effectiveness for vessels and quality of catches. The aid under the EMFF would be available for a maximum of nine months over the period to the end of 2020. The EU Commission position is that the funds would have to be found from within the existing member states EMFF envelope.

This loosening of the rules around temporary cessation and financial aid is a limited measure that, while welcome in the event that it might have to be availed of, would not address all the issues that would arise from loss of access to UK waters. Perhaps most importantly, it provides the legal framework in which to provide possible tie-up aid to affected fishing vessels. The Minister, Deputy Creed, has made it clear that, in the event that a tie up-measure is required, it will be essential to ensure a co-ordinated and balanced application of a scheme to individual fisheries, across the fleets of the member states involved. Ireland is working closely and intensively with the other member states most concerned and with the European Commission's DG Mare to identify the potential impacts for fishing that would arise from displacement of fishing activity in the event of a no-deal Brexit.

The second proposal from the EU Commission is similarly about ensuring that there is a legal basis to allow EU vessels to operate in the waters of a third country in the absence of a formal agreement between the EU and that third country. That second proposal also provides for the possibility of current quota swapping arrangements between EU member states and the UK to continue in the absence of an agreement. This proposal does not mean that there will be ongoing reciprocal access after 29 March. It merely provides the legal basis for it to happen should the UK be willing to grant such reciprocal access in a no-deal situation. As to the timing on the adoption of the two proposals, they are proceeding on a fast-track procedure through the Council and the European Parliament. A plenary European Parliament vote is scheduled for

13 March and it is expected that the Council's final endorsement will happen around 18 or 19 March so that they are legally in place before 29 March.

The impact of the loss of access for the Irish fleet is the critical issue. Ireland, France, Denmark, Germany, Belgium and the Netherlands all take, on average, between 30% and 45% of their landings by volume and between 18.5% and 50% by value from the UK waters. Of the UK's total landings, only 15% by volume are caught outside the UK's EEZ. On average, 34% of Irish landings by volume and value came from inside the UK's EEZ. Ireland catches a proportion of all our main commercial quotas across 30-plus stocks in UK waters and in some cases, for example mackerel, which is our largest fishery, well over 60% of the quota is taken from UK waters. The most immediate impact of loss of access would be for our whitefish and prawn fisheries. This is because our pelagic fisheries, in particular mackerel, would not be immediately affected in 2019 as our fleet has largely caught the available quota in the early part of the year. This situation of concentration of fishing in a small period could, however, have adverse impacts on our processing companies later on.

In the event of exclusion from UK waters, Irish vessels would lose access to parts of the important nephrops, or prawn, grounds in the Irish Sea and to the important smalls grounds situated off Milford Haven. It would also lose access to the parts of the Celtic Sea that come within the UK zone with important fishing grounds for mixed demersal species such as cod, haddock, whiting, monkfish, megrim and hake. The fleet would fully lose access to the fishing grounds around Rockall and off the west coast of Scotland. A major knock-on effect of loss of access by Irish and other Union vessels in the event of a disorderly Brexit is the likely increase in activity in the fishing grounds in the waters around Ireland. The concern here is an increase in pressure on fish stocks in particular fishing grounds leading to an increase in fish mortality there. This could, in turn, threaten the long-term sustainability of those stocks resulting in lower quotas going forward. In that context, the temporary tie-up of vessels may be required to protect the long-term sustainability of the stocks upon which our fleets rely. The Minister, Deputy Creed, has made it clear that if there has to be any temporary cessation, its use must be proportionate across the EU fleets fishing in the shared fisheries. It cannot be the case that in shared fisheries, the vessels of one member state are tied up while the vessels of another continues to fish without restriction. The Minister has made it clear that there must be a level playing field for all those impacted by loss of access to UK waters.

I turn to preparedness. The Irish response will continue to be within the overall EU 27 context and, in particular, the group of eight member states directly impacted for fisheries. The Minister met fisheries Commissioner Vella on 18 February to discuss these issues and the ongoing work of ensuring a co-ordinated response at EU level. There have been a number of other meetings at official level with the group of eight member states and the Commission and that work is ongoing too. Displacement of other EU fleets into the limited remaining fishing grounds in western waters must be planned for and measures must be taken to ensure that we have orderly activity within sustainable levels. Meetings between the group of eight member states and the Commission are focused on ensuring there will be an EU co-ordination mechanism on the actual application of any temporary cessation. Work is ongoing on identifying the fleets and stocks most vulnerable to a disorderly Brexit and exploring possible mitigation arrangements within temporary cessation schemes.

At national level, the Minister has continued to work closely with industry representatives. The most recent meeting was on 25 February in Clonakilty where the Minister and industry representatives had a full exchange on the evolving situation on Brexit. Within the Department

and the marine agencies, there has been intensive work to prepare for all possible scenarios. The State is providing advice and information on importing and exporting issues in a situation of a no-deal Brexit. The Sea-Fisheries Protection Authority is holding a number of information events for traders and information notices are available on its website. Notices are also being published on the websites of our Department and of the Department of Foreign Affairs and Trade. BIM, Bord Bia and Enterprise Ireland are continuing to work with seafood companies to help them to deal with Brexit, seeking to make them more competitive and diversify market exposure. Support is also given to upskill teams.

I turn to the readiness of the seafood processing sector for Brexit. In total, there are 163 seafood processing companies operating in Ireland. Of these, 53% generate less than €1 million in annual revenue while 32% generate revenues of between €1 million and €10 million. The remaining 15% of companies have annual revenues greater than €10 million. Exports of seafood from Ireland in 2017 totalled 314,000 tonnes worth €666 million. The EU is the main market for these exports, particularly in the shellfish, salmonid and whitefish seafood categories. The UK market is significant and was worth €86 million in 2017, with a volume of 44,000 tonnes. BIM have been working extensively with the sector to determine the extent of the potential impact and to offer advice on readiness for Brexit. There remains a high level of uncertainty as to the landscape for businesses post Brexit. While some of the seafood processing companies are prepared to a high degree for Brexit, the majority are prepared to a limited extent and some are unprepared. BIM, Enterprise Ireland and Bord Bia will continue to work with these companies to strengthen all aspect of their preparations.

In a trade context, the seafood sector shares many of the concerns of other sectors with regard to currency fluctuations, tariffs and the landbridge. There are, however, a number of additional issues for seafood. A no-deal Brexit will mean that Irish importers and exports of seafood products to and from the UK will require additional certificates on top of those required for products of animal origin under sanitary and phytosanitary rules. All seafood imported into the EU from a third country, which the UK will be after it leaves the Union, must have a catch certificate. The UK is a significant market, representing 14% of exports for Irish seafood, but it is not our most important one. While the landbridge is a significant issue for many exporters, it is especially worrying for seafood exporters given the perishability of their product. On average, we export 26,000 tonnes of seafood via the landbridge each year. Having to go by sea directly to continental Europe would add 12 hours to the journey. Again, these are issues on which we are working closely with the sector and the relevant state agencies.

A no-deal Brexit, which is not the desired outcome, would have a severe impact on the Irish seafood sector as whole. Loss of access to UK waters is the most immediate large scale threat to the seafood industry. We have a clear and agreed strategy in place at EU level that future fisheries arrangements with the UK can only be agreed within the context of the overall economic relationship. That has not changed throughout the Brexit negotiation process and will remain the case in a no-deal situation. Specifically on fisheries, the agreed overarching priority has been and remains to maintain existing levels of access to waters and resources to provide continuity and certainty to our catching and processing sectors. In the short term, EU emergency aid may be required in a worst-case scenario to allow us to tie up a proportionate part of the EU fleets in highly impacted fisheries. This can and will only happen in an agreed and co-ordinated way thus sending, again, the clear message that the EU 27 are working as one in fisheries to deliver on the EU priority to maintain the *status quo* in terms of access and quotas.

Chairman: I thank Dr. Beamish. We will now take questions from members. Deputy Prin-

gle was first to indicate.

Deputy Thomas Pringle: I thank Dr. Beamish for his presentation. I note, however, that he thanked the committee for the opportunity to discuss recent proposals from the European Commission on fisheries. In response to the committee's request last week, the Department stated there was no point in Dr. Beamish coming here to discuss it with us because things were happening, would happen in any event or were happening quickly so the timing would not be suitable for him to appear. It is somewhat worrying that a Department would take that view. Would Dr. Beamish explain why that would be the view of the Department on this matter?

These legislative proposals will go through quite quickly in terms of fast-tracking-----

Chairman: Deputy, that is not quite factually correct. The line last week was that negotiations were ongoing and that it might not be of most benefit at that time. What the Deputy said is not factually correct.

Deputy Thomas Pringle: Fair enough. If that is the case, I apologise. I took it to mean that it had been done and dusted and was going forward.

Chairman: No.

Deputy Thomas Pringle: I apologise for that.

To deal with the proposals, what will be involved with the potential closure of British waters? If the UK withdraws on 29 March without an agreement, its waters will effectively probably close. Can Dr. Beamish explain what must happen for that to take effect?

With regard to payment from the existing EMFF for compensation, what could be the impact in terms of the projects for funding under the EMFF? Will there be enough money available to compensate the fishery businesses adequately for the loss of income due to the closure of UK waters to them? Is there any provision in that for the compensation of crews? While the owners of the boats may be compensated, the crew members will be out of work. Is that something on which the Department would take a view? Dr. Beamish stated that the Minister made it clear that the temporary cessation must be proportionate across EU fleets. How is he proposing that will work? What is the mechanism whereby that will work and what will it mean in effect?

I understand that the landbridge might not be Dr. Beamish's concern, but can he address it in respect of fisheries exports to the EU using the landbridge? Obviously, they will be sealed in Killybegs, Greencastle or the other ports and transported across. Is the fact that the seal will stay intact enough? Has the Department considered how that would work?

Does Dr. Beamish have any information on the import tariffs that are applicable to seafood? Does he have them regarding the UK? While 14% of exports will be impacted, what will be the level of the impact from those stocks?

Deputy Martin Kenny: I thank Dr. Beamish for his presentation. Basically, the requirement we have here relates to the compensation of fishermen who would be negatively affected due to Brexit if they are frozen out of a large section of water where they traditionally fish and catch a large portion of their catch. In that regard, is the Department getting any indication from the negotiations in regard to the overall situation for the Common Fisheries Policy and what arrangement will be in place? Clearly, regardless of what happens, Britain is going to leave the Common Fisheries Policy. There will still have to be some arrangement in place between the

EU and Britain in respect of access to water and access to stocks in different places. I am wondering about the amount of quota that will be taken away from the British fishermen and where that quota will go. If Britain leaves the EU, the portion of the quota it currently has will be coming back into the system. What will happen to that or is there any clarity in that regard yet?

I am also interested in the tariff rates that will be in place. Is there any indication as to what deal can be done in that regard?

The other issue is the compensation for fishermen who would lose in this respect. If Irish fishermen will lose out and the vessels are tied up for a period because they cannot fish, will one of the consequences of it be that there will be extra competition within what will be the diminished or smaller EU waters as a result of Brexit? What new arrangements are possible to revert to the Common Fisheries Policy and see what new negotiations can take place there? For example, last November the total allowable catch was established for this year. However, before the end of this year, we could be in a situation where Brexit has thrown all that up in the air. Will there be a new negotiation to work it all out again or what is the proposal in that respect?

Deputy Charlie McConalogue: I thank the officials for attending. Can they provide further clarity regarding the carve up of quota between what UK registered vessels have at present and what other EU member states have? What will happen there? If there is a hard Brexit and the UK is not willing to do a reciprocal deal on access to stocks and waters, what will happen to the UK's quota? In addition, what will happen to the quotas other EU member states have for various fish stocks? What is the process around that? The scenario of a tie-up would be massively disruptive and expensive and would cause massive financial loss to the fisheries sector. In the event of a tie-up, what are the estimates for the reduction in fish catches overall? In terms of the fish processing sector, what are the estimates regarding the availability of fish for the sector?

Deputy Pringle asked about funding under the EMFF. Dr. Beamish indicated that any funding would have to come from existing national allocations or envelopes. Can he clarify further what he meant? Obviously, it is essential that the level of funding in place in such an undesirable scenario could properly compensate the fisheries sector, both fishing vessel owners and the employees.

Dr. Beamish referred to the importance of the landbridge for fish getting out of the country, particularly due to the perishable nature of fish. He indicated that additional SPS checks would be required on fish products. Last summer the Government and the Minister for Agriculture, Fisheries and Food announced that 300 SPS and veterinary officials would be hired to be in place to deal with the possibility of a hard Brexit. That number was reduced to 116 in October. Have sufficient SPS personnel been recruited to carry out that work and, if not, what is proposed to ensure the checks will be carried out in a prompt manner?

Senator Rose Conway-Walsh: On the remarks made by Mr. Gove in October, what changed between October and March that caused him to say access to waters would change if the United Kingdom left the European Union without a deal such that non-UK vessels would no longer have automatic fishing rights?

On the vessels impounded last week, if the necessary legislation is not brought forward to avoid it happening again, will it have a negative effect on relations with the United Kingdom? With reference to the other member states, if there is a restriction of the UK waters, is it envisaged that all of the concentration will be on Irish waters and, if so, what is the impact likely

to be on quotas? I am also interested in hearing Dr. Beamish's response to Deputy McCona-
logue's question about the redistribution of quotas if the United Kingdom leaves the European
Union without a deal.

Senator Tim Lombard: This is an important issue. In so many ways it is a Doomsay
scenario. It is important to clarify the position before we get into the meat of the issue. On the
tie-up measures that will be required in terms of the timeframe requested in the event that there
is a hard Brexit, do we know how much of the fleet will be impacted on, taking into consider-
ation lack of access, particularly in the mackerel sector? That sector will be okay in 2019, but
access to UK waters, given that so much of the product is landed in the United Kingdom, will
be an issue in 2020. How will these waters be policed in a hard Brexit scenario? As a nation,
how would we police them? Having viewed the proposed border on the map, it appears to be
extensive. We have a limited naval service. Would we have the capability to man that border
to ensure we would not be faced with issues such as vessels from third countries fishing in our
waters?

On the arrangements between the United Kingdom and Ireland, with reference to recom-
mendation No. 2 in respect of the proposed reciprocal arrangements, there are no arrangements
proposed with regard to the six-mile limit about which we spoke previously. I recall there was
a debate in the Seanad on this recommendation which would have ensured this issue would be
resolved. Does Dr. Beamish have recommendations or an insight in that regard?

Dr. Cecil Beamish: I will do my best to answer all of the questions in the order in which
they were raised.

It is important to set the context. For the many people involved in Brexit, it is hard to be
certain about what one is dealing with. The scenario to which the UK Government agreed and
which it is working to have adopted in the House of Commons, to which the European Union
agreed and which the Irish Government supports is that in fisheries there would be a transition
period for the remainder of 2019 and no change in 2020. We will operate as we have hereto-
fore under the Common Fisheries Policy. Total allowable catch, TAC, quotas would be set in
December 2019. The United Kingdom would be outside the door, but the quotas would be set
and apply to it for 2020. By mid-2020, the negotiations on the future relationship will have
reached a certain point, including on the arrangements to apply fisheries, but at the end of that
year a decision would have to be taken on whether the transition period should be extended for
a further year to allow the negotiations to be concluded. That is the central case in the context
of the main approach that is still being pursued. In the event that this will happen, nothing will
change immediately. This could be the position on 1 April and it is what everybody is working
towards. However, there is a lot of uncertainty. In the event that there is no agreement, there
might be an extension under Article 50, which means that the United Kingdom would remain
a member of the European Union. Therefore, the Common Fisheries Policy, CFP, would apply
and things would continue as normal for the period of the extension, whatever it might be. They
are the two scenarios which might mean that there would be no change.

In the event that there is a disorderly or no-deal Brexit, technically and legally, once the
United Kingdom is no longer a member of the European Union, the Common Fisheries Policy
will not apply. The United Kingdom will become a third country, in the same way as Norway
and Iceland, and there will be no automatic access for EU vessels to UK waters or for UK ves-
sels to EU waters. However, the geography will not change and the United Kingdom will still
need to trade. It is likely that some discussion will take place. Therefore, there will be a need
for an arrangement governing how long and the point at which a prohibition on access would

be implemented.

The second measure in front of us made by the Commission is based on the possibility that the United Kingdom would offer reciprocal access arrangements in 2019 on the basis of the TAC quotas agreed to last December. For the remainder of 2019, it would offer reciprocal access arrangements. The second proposal would create, on the EU side, a legal framework whereby we could allow UK vessels into our waters, while EU vessels would be allowed into UK waters. While technically the United Kingdom would be outside the European Union, access on a reciprocal basis would be granted in 2019 and we would operate under the existing TAC quota regime. That is one possibility in the event that there is a no-deal Brexit. The proposal to enable it to happen in the event that an offer is made and agreed to with the United Kingdom would apply to 2019 only. In that event, there would be no need for a temporary cessation and so on. It is also dependent on timeframes because many fishers are seasonal, or their locations are seasonal. All of the mackerel quota will have been caught. Traditionally the sector has been dependent on catching a large proportion in the UK zone west and north of Scotland. The catch is already in the factories. Therefore, the impact on the fleet in 2019 would be limited. We are not talking about it being to the fore in dealing with the issue of cessation.

On other stocks, stocks are not managed on the basis of national areas and have not been within the European Union. The stock ranges across the areas west of Scotland that are included in the UK zone and ours. It might well be the case that vessels could avail of their quota entitlements in our zone. It could be that fishing activity could continue and it might be, if that was a migratory type of stock, that it would not have a big impact.

There are other stocks based on discrete grounds and if fishermen are off those grounds and there is increased effort on the grounds in our zone, that would be spatially limited and it could have an impact. That is where we might want to ease the effort on that ground. It is all about when this reality will become true and at what point it would need to be done. It would not necessarily have to be done on 1 April and it is not that everybody would stop fishing on 1 April but rather that they would just have to fish in European Union waters. The other issue is the extent to which other fleets would increase fishing effort in our zone. For some things that could happen and for others it does not really make economic sense because of the size of the boat or other opportunities in French waters, etc. There is no script for this and we are trying to work this out and plan for the scenario.

It is quite complex. There are approximately 100 stocks shared with the United Kingdom. There are biological units straddling the United Kingdom and Irish zone, and no matter what happens, they will have to continue to be shared and jointly managed if we are to avoid damaging the stocks. Whatever future scenario arises, whether the UK is outside the Union or in transition, some sort of management arrangements would have to be worked out between the UK and the EU to manage those stocks. There is no point in one side conserving the stocks while the other side is damaging them. That does not work in fisheries. We have models and we do things with Norway and others where we share stocks.

People asked what would happen to the UK's quota. That quota is an entitlement to fish a certain portion of the stock. The UK has generally indicated that it would stick to those arrangements for 2019 and that it would only fish that amount. The EU entitlements would be the same and that is the most likely scenario. There would be negotiations after that as to what would happen but it is not the case that a lot of quota becomes free. It does not work like that. We would be trying to manage the out-take from a given stock divided among people and it is not just that some additional quota can be shared around. If we are taking 100% of what is

biologically sustainable to take currently, we cannot share around another 40% and take 140%. That would be a road of mutually assured destruction that we do not want to go down. In the short term quota does not become available to anybody *per se*. Some in the UK fishing industry have an obvious ambition to take a bigger share of the stock and that has implications but that is a little further down the road. For 2019, quota entitlements probably will not change.

If the UK leaves the Union and the Common Fisheries Policy, there will not be automatic access, according to the UK. That is just a fact. It does not mean the UK will not decide perhaps to grant reciprocal access for 2019. We do not know how long the position of no access will exist. It is not the case that the UK is without problems as it needs to access the market and have relations. It also has many things that impacts its position as well. That is the general position and we are trying to deal with and prepare for a variety of scenarios but a number of them involve no change.

Senator Rose Conway-Walsh: If the UK granted access, would it have to do so for all the EU countries or could a separate arrangement be made for Ireland?

Dr. Cecil Beamish: The legal position in the European Union is that the European Commission negotiates with third countries. If the UK is a third country, the European Commission will reach a European agreement with that third country. It would not be bilateral.

Senator Rose Conway-Walsh: Right.

Dr. Cecil Beamish: That has generally been seen by the Irish Government as very much in Ireland's interest as it keeps the fisheries issues linked across member states and we have many common issues. They may be in different places but the issues are common. It is also linked to the market and other issues where the UK may not be in as strong a position as it is with fisheries. If the UK leaves the Union, the Commission will be doing the negotiations.

Deputy Thomas Pringle: How likely is it that the UK will have a reciprocal arrangement when 86% of its fish is caught within its waters? We have nothing to give them, as such. I understand it is linked to other arrangements but how realistic is it that this factor will make the UK allow access?

Dr. Cecil Beamish: If the UK leaves in a disorderly Brexit, it will not just affect fisheries. It will cut across all sectors and a variety of issues will be in play. The EU is likely to take some sort of co-ordinated approach across those. In very simple terms, the UK largely exports to the EU what it catches and imports what it eats. We are not terribly different ourselves in many ways. The EU market is very important to the UK and keeping that trade going feeds all the way down to the fishermen. It is not something that can be done in isolation of the position in the market and the EU is quite conscious of that.

There was a question about tariffs. This is not the same as in the agricultural sector, such as with beef, where one would be very dependent on the UK market. Ireland is not terribly dependent on the UK market when it comes to seafood. It is an important market but it does not have the same dominance as it would with beef. The tariffs on fisheries products are also much lower. Tariffs on fishery products apply the other way as well as the UK exports to the EU and it would hit tariff barriers in that respect. We would export to the EU market without that tariff barrier. There are many ways to look at this.

At the high end of tariffs, mackerel and herring would see a rate of 20%. The more common white fish see a rate of approximately 7.5%, so the average is approximately 14%. These are

the lower end of some of the tariff ranges when compared with the agrifood side. A processed product attracts higher tariffs and the UK sells quite a bit of processed product into the EU market. The tariff element has not been as dominant in the fisheries discussion as it would have been in the other areas. It is not about the market so much.

The landbridge has been dealt with by other colleagues and the European Commission. Much depends on how the UK deals with the product. Although fish is perishable, it is not the only time-limited agrifood product going through the UK on the landbridge but it is important that the landbridge can work. It is a bigger subject than I can go into here. There was a question about temporary cessation being proportionate but there is no script on this and Brexit is something new. With the proposal before us today, the Commission is creating a legal framework where temporary cessation can be used in circumstances that nobody foresaw when the European Maritime and Fisheries Fund, EMFF, was being drawn up. If it was not changed by virtue of this proposal, we could not use temporary cessation because a member state was leaving. It is creating the possibility to use it. The question was raised about crew. In the EMFF it is provided that people who have worked more than 120 days during the past two calendar years are eligible under the EMFF for payment.

We are talking about the legal framework to enable this proposal today. The detail has to be drawn up in a scheme. That can only be done when the exact extent of access, as well as which fisheries have gone through and which fisheries are severely impacted, is clear. Not all fishing is the same. The committee knows that very well. There must also be a proper sense of the likely displacement impact at European level. We are working very hard with the Commission and the eight other impacted member states to draw up a factual assessment of where we think displacement will be felt and what species it will affect. We are preparing fishery science advice on the likely impact of that increase in effort. As I say, if the stock is migratory, increasing the fishing in one particular area may have no long-term biological impact.

All of this is being assessed at the moment. There is no co-ordination mechanism in place to determine the proportionate reduction and how to carry it out. That work is ongoing with the Commission. The fisheries are shared. They are European fisheries. The Minister, Deputy Creed, has been saying that we need a European response. As one member state on our own, we cannot set the rules for the French, Dutch or Spanish fleet fishing in our zone. It is a common policy, so we want a common response.

A question was raised about the funding. The Commission is saying that funding must come from the existing national envelopes. The existing national envelopes have already been allocated to different programmes. We are working to spend our envelopes. We have not envisaged a scheme for tariff cessation. Funding will have to be considered both at Government level and at EU level. That will happen later in the month as we get closer to whatever the reality might be.

Deputy Kenny asked about the quota taken away from British fishermen. We have dealt with that. If the UK leaves permanently, there will still have to be negotiations with the UK on how to manage fisheries. It is just not possible to coexist in 100 shared fisheries without working out arrangements on how to manage them. The national position is that those arrangements should not impact on relative stability. We should keep our shares in them but we would have to agree on certain things. For example, within the Common Fisheries Policy members are all working towards a shared objective of bringing stocks to maximum sustainable yield levels by 2020. Would the UK adopt that target if it left? That would have to be negotiated, because in that case we would be jointly managing those stocks. We would have to agree on the target to

which stocks could be managed and then agree on uptakes. There will be fisheries negotiations in some form or other no matter what happens.

We cannot be certain, but we do not envisage new negotiations on tax and quotas in 2019. Insofar as it has made any consistent comments, the UK Government has suggested that it will stick to the tax and quota arrangements of 2019. That only applies for 2019. We will see what happens then.

Deputy Martin Kenny: If the UK crashes out without a deal and agrees to maintain quota levels and to keep the terms of the Common Fisheries Policy on an *ad hoc* basis for the time being, which is what Dr. Beamish is saying it will probably do, what reporting obligations will it have?

It is clear from earlier discussions that fisheries arrangements between neighbouring countries apply all over the world. Obviously the EU has other neighbours that are not member states in other areas where seas are shared. Do those templates provide any guidance on the kind of arrangement we might be able to work out in the future?

Dr. Cecil Beamish: There are various models. This is probably unique because of the scale of what we are dealing with. Our 100 shared stocks cover a vast swathe of what is available in European fisheries. There are no other arrangements of that scale. We have smaller-scale arrangements with Norway. We share information on catches etc. because each side needs to know that the other is respecting the agreement. As such, all of the catch statistics in those fisheries are shared. In an agreed arrangement, as opposed to a disorderly exit, the UK and the EU would have to be able to share information on catches, ensure fishing boats apply controls etc. There would have to be joint confidence in agreed management arrangements. However, nothing of that scale has been done up to now, so this would present quite a different landscape. In many ways, this arrangement will probably supplant the current December fisheries Council, because many of our stocks will be determined through bilateral negotiations with the UK.

Deputy Martin Kenny: A lot of the fish that British vessels catch is exported. The British are a bit like us. Although they are an island nation, they do not eat a lot of fish. Their main export market is clearly the EU. The UK will face a tariff on these exports whereas we will not. One would imagine that when the UK Government negotiates, it will have to bear this in mind as well. People talk about the doomsday scenario. When we examine all of this, one of the big questions is how much of a positive this will represent for the British fishing industry. The British seem to think that Brexit will bring them a bonanza. I wonder about that. Is it possible that the British could find their vessels have access to more fish because the quotas will not apply, but they are then unable to sell that fish? It may not be of any benefit at all.

Dr. Cecil Beamish: It is hard to draw a single conclusion, but 70% of UK seafood is exported to the EU. A producer in the shellfish industry, which is non-quota, will face tariffs exporting to the EU. That is a non-quota sector, so such a producer will not see any benefit. The UK share of certain quota fisheries is perceived by British fishermen to be relatively low. They perceive that they will benefit from an increased quota. The Deputy is correct in saying that these products are largely sold into the EU. The UK tends to import cod, salmon, tiger prawns, tuna etc. for its domestic market. It exports a lot of the other fish.

Whether a producer perceives a balance of advantage or disadvantage depends on what kind of fishery he or she is exploiting. However, fisheries is a zero-sum game. If somebody gets a bigger share, somebody else gets a smaller share. We are very conscious of that from the Irish

perspective. Our position, and to date the EU position, is that any future negotiations with the UK will be on the basis of the current access and quota-sharing arrangements. Ireland's position and that of the EU is that the UK should leave with what it has. It retains its current arrangements. If that arrangement allows the UK access to certain EU fisheries and the EU access to certain UK fisheries, that will be the arrangement with which the UK leaves. That is not necessarily the perception in the UK, as the Deputy points out.

However, all of that is to be worked out in future negotiations. No matter what happens here, we must anticipate fisheries negotiations taking place over a reasonably long period going forward. They will be important for the fishing industry here. It would be conducted through EU central negotiations, much like Michel Barnier has done so far. Member states work and feed into that process. They are not removed from it.

Deputy Thomas Pringle: Dr. Beamish talked about compensation arrangements for working over 100 days in the fishing industry. Does that include fish factory workers? Killybegs will be severely impacted by the loss of mackerel if it happens. It would be interesting to see how it could benefit from that. Dr. Beamish talked about EU waters and that outside the 12-mile limit, there are not Irish waters but UK waters in the context of what we are talking about here. It works on a UK basis.

Dr. Cecil Beamish: Each member state has a 200-mile zone. A potential scenario is losing access to the 200-mile UK zone. Some countries have access in the six to 12-mile range, or in some cases in some areas, inside six miles, but this is about the 200-mile zone.

Deputy Thomas Pringle: Where is the Irish zone?

Dr. Cecil Beamish: It is also 200 miles out.

Deputy Thomas Pringle: I previously heard Dr. Beamish say that there is no Irish zone and that it is European territorial waters.

Dr. Cecil Beamish: That is a somewhat philosophical conversation. Legally, under the Common Fisheries Policy, CFP, the waters are deemed as European waters. I know everybody refers to them as Irish waters. Our responsibilities are for control and management of that 200-mile zone, which is managed under the Common Fisheries Policy. It is a complex debate. The UK would not be subject to the CFP so it would manage its own zone. The details of who temporary cessation might apply to have to be determined because we do not know the extent of the cessation, what is impacted, what is displaced and what cannot be caught here. All of that work is going on behind the scenes. It will not happen on day one. The focus of the European Maritime and Fisheries Fund is on the vessels, the impact on them and on the crewmen. The perception is that workers in the processing sector would be on the social insurance scheme. The work is often seasonal in many factories, including in the pelagic factories. The primary impacts will not be on pelagic fisheries in 2019. It has been extremely busy for them. The agreed management arrangement for the national quota was to facilitate the catching of that quota in the first three months of the year. The focus is likely to be more on the prawn fleet and some of the white fish fleets, which will be more impacted in that situation.

Deputy Thomas Pringle: Dr. Beamish envisages that fish factory workers or people who work with fish would have to deal with social welfare services.

Dr. Cecil Beamish: The EMFF is focused on the vessels and crews. There may be other assistance to factories and such which may be impacted through mechanisms such as restructur-

ing aid.

Deputy Thomas Pringle: That is the owners. No one has mentioned the workers.

Dr. Cecil Beamish: There are wider issues beyond the CFP that will impact on restructuring aid and so on for the companies.

Chairman: Deputy Kenny has a question-----

Dr. Cecil Beamish: Sorry, I did not respond to Senator Conway-Walsh.

Chairman: Go ahead.

Dr. Cecil Beamish: She asked about the Secretary of State, Michael Gove, and what might have changed. We do not know if anything has changed. In the opening address, I said that the most recent notice was that there would not be automatic access. That is a statement of legal fact if the UK falls outside the EU but the important word there is “automatic”. There would not be automatic access but the UK could choose to give reciprocal access for 2019. I am supposing that having two notices does not necessarily mean that they are inconsistent. It is still within the discretion of the UK to give reciprocal access for 2019. The proposal we have from the Commission is so that the EU will be in a position to take up an offer if such an offer happens. Beyond that, one can guess what Michael Gove’s thinking would be.

Senator Rose Conway-Walsh: Does Dr. Beamish think that impounding boats last week has had an impact?

Dr. Cecil Beamish: The specific cases have been dealt with in the courts and I have nothing to say on that. The Minister, Deputy Creed, and the Taoiseach have both spoken openly about what they wish to do with legislation. I do not think I want to add to what they said.

Senator Rose Conway-Walsh: I appreciate that.

Dr. Cecil Beamish: That legislation will be a matter for the Oireachtas.

Deputy Martin Kenny: I have a question about the Scottish farmed salmon sector, which is very large and has many exports. I imagine that many of its exports go to the EU. Have we any indication of how it is viewing Brexit and what situation it will be in? Are the tariffs for that sector high? Will it be difficult for that sector to cope after Brexit if it comes?

Dr. Cecil Beamish: The fresh or chilled is 2% and I think smoked is higher. I do not have the information here. We do not deal directly with the Scottish salmon industry but I have seen commentary indicating that it has concerns about market access. It exports heavily to the European market and it is a very big industry in Scotland.

Chairman: I thank Dr. Beamish for coming in today and giving a detailed explanation of a technical and uncertain issue. I am sure we will be dealing with this again at some time in the very near future.

The joint committee adjourned at 6.30 p.m. until 3.30 p.m. on Tuesday, 12 March 2019.