

DÁIL ÉIREANN

AN COMHCHOISTE UM GHNÓTHAÍ AN AONTAIS EORPAIGH

JOINT COMMITTEE ON EUROPEAN UNION AFFAIRS

Dé Céadaoin, 2 Deireadh Fómhair 2019

Wednesday, 2 October 2019

The Joint Committee met at 2 p.m.

Comhaltaí a bhí i láthair / Members present:

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| Seán Crowe, | Paul Coghlan, |
| Bernard J. Durkan, | Gerard P. Craughwell, |
| Seán Haughey, | Terry Leyden, |
| Mattie McGrath, | Neale Richmond. |
| Frank O'Rourke. | |

Teachta / Deputy Michael Healy-Rae sa Chathaoir / in the Chair.

General Affairs Council: Minister of State

Chairman: I remind members to ensure their mobile telephones are switched off. This is important as it causes serious problems for the broadcasting and editorial staff.

I warmly welcome the Minister of State with responsibility for European affairs, Deputy McEntee, and her officials. The members will wish to work with the Minister of State today in that she must leave the meeting before 2.50 p.m. It is no disrespect to the committee but is due to travel arrangements for the rest of the day. I guaranteed her officials that they will be out of the room at that time so we will condense our questions to accommodate her.

I welcome the distinguished visitors in the Public Gallery. I offer a special warm welcome to my old friend, Mr. Paul Walsh, from the British Embassy. The attendance of the British Ambassador today denotes the significance of what is happening with Brexit and related matters.

The Minister of State, Deputy McEntee, is before the committee for one of our regular engagements. She will update us on Brexit preparations as well as other issues being considered at the General Affairs Council, which include the ongoing negotiations on the multi-annual financial framework, discussions on the rule of law and preparations for the next European Council meeting which will be held on 17 October. Clearly, a great deal is happening at present. It is only four weeks to the Brexit deadline and the situation remains uncertain. It is important that we are as prepared as we can be for all outcomes and eventualities.

While Brexit remains our greatest concern, life goes on and there are other important issues to be considered. The hearings for the European Commissioners-designate are taking place in the European Parliament this week. The new European Commission should be up and running in a month, with a new vision and new priorities for Europe. We certainly saw last week that the new European Parliament is developing its priorities and that MEPs have found their feet. Our MEPs are performing well in their new roles.

I would normally read out the usual reminders about the rules of privilege but as the Minister of State is familiar with them I just remind everybody of their application. I invite the Minister of State to make her opening statement.

Minister of State at the Department of the Taoiseach (Deputy Helen McEntee): I thank the members for their assistance with the time challenges today. I will try to be as brief as possible but I will be back before the committee again so if there is something we do not cover we will have an opportunity to do so again.

I thank the committee for the invitation to address it and to outline what will be on the agenda of the General Affairs Council as well as where we currently stand with Brexit. I will attend the General Affairs Council on 16 October in Luxembourg. The agenda will include preparation for the European Council meeting on 17 October. That includes the enlargement process in respect of Albania and the Republic of North Macedonia. At the European Council leaders will discuss a range of issues, including the next multi-annual financial framework, MFF, and the new EU institutional cycle. With your permission, Chairman, I propose to first brief the committee on the work of the General Affairs Council, GAC, and then give an update on the preparations for the UK's withdrawal from the European Union.

Over the summer, the Presidency sent a questionnaire to member states to determine their positions on a number of issues in the MFF negotiations. This was followed by one-on-one

bilateral meetings with each member state to discuss their key priorities. Ireland's meeting was held on 2 September between myself and the Finnish Minister for European Affairs, Tytti Tuppurainen. Our discussion focused on Ireland's key priorities, particularly the Common Agricultural Policy, CAP, and the proposed cuts which we oppose, and the overall level of the MFF. At the General Affairs Council on 16 September, the Minister said that these meetings had been helpful in determining the political perspectives on the negotiations. The Presidency will use that to help prepare a paper to steer the discussions at the European Council meeting in October.

The Finnish Presidency also updated Ministers at the September GAC on its recent work on the MFF and set out its plans for the next steps. In my intervention, I said Ireland's first priority was the CAP and preserving the overall CAP payment. I shared concerns, however, that Brexit may overshadow the overall discussion on other issues at the European Council. I noted that it was important that leaders give a clear direction regarding the overall size of the EU budget and that we must ensure the MFF is adequately resourced to deliver on our priorities. While there are some who believe a smaller European Union should mean a smaller budget, we believe that with newer and emerging priorities as well as the important traditional priorities we must ensure it is adequately funded. We have always said that we are willing to pay more in that regard.

At this month's European Council, leaders will also discuss implementation of the next strategic agenda. Adopted in June, the agenda will guide the EU's work for the next five years. The European Council will monitor the implementation of the priorities and give further political direction, as necessary. We will work with fellow member states as well as the new Commission and the European Parliament to ensure the agenda is successfully implemented. Given the massive amount of contact and engagement we have had with citizens and the work this committee has done over the past year and a half, it is important citizens can see that their interventions and communications with the Government have been reflected in the agenda and that they are clearly followed through and implemented. In addition, leaders will be updated on the appointment of the next Commission. In that regard, I congratulate our Commissioner, Mr. Phil Hogan, who was officially appointed Commissioner for Trade yesterday. Following hearings for all Commissioners-designate, the Parliament will vote on the Commission as a whole later this month. If approved, the new Commission will begin its term on 1 November. Christine Lagarde will also be formally confirmed as the next European Central Bank, ECB, president at the European Council.

Regarding enlargement, the forthcoming GAC will discuss whether to open EU accession negotiations with the Republic of North Macedonia and Albania. Ireland fully agreed with the European Commission reports in May which judged that both countries had made significant progress on the requested reforms and that EU accession negotiations should be opened this year. I visited North Macedonia and Albania earlier in the year and it was clear in my engagement, not just at political level but at many other levels, that progress has been made. North Macedonia has made great strides on its reform agenda and demonstrated particular political courage in signing and implementing the Prespa agreement. The situation in Albania is more complex but it is clear that significant progress has been made across many of the chapters in the past year, in particular the comprehensive justice reforms are a significant achievement.

Ireland supports the opening EU accession negotiations with both countries. It is our strong preference that they would both advance together. In order to maintain credibility in the region, it is up to us to maintain and follow through on our commitments and reward the candidate countries for the reforms that they have already undertaken.

In terms of the rule of law, an issue which has been discussed for some time, the issues

that have arisen in a number of EU member states regard the failure to comply fully with the Union's fundamental values, which is deeply concerning. We will continue to work with the EU institutions and member states to resolve the challenges currently faced through constructive dialogue and to prevent such challenges from emerging in the future. The September General Affairs Council discussed a number of rule of law issues. The Ministers had a general discussion on how we can strengthen rule of law in the Union, prompted by the European Commission's communication last July. A formal hearing on the rule of law under Article 7 also took place at the September meeting to consider the situation in Hungary, which is the first such meeting to take place. In addition, the Commission briefed Ministers on the ongoing state of play regarding the rule of law in Poland.

On Brexit, which is an issue that the Chairman wanted this meeting to focus mainly on, the next General Affairs Council will provide an important opportunity to re-affirm our priorities with my EU 27 but, most importantly, the need for a solution that addresses the unique circumstances on the island of Ireland. The EU's solidarity and understanding remains absolutely resolute as re-affirmed by Michel Barnier when he met the Tánaiste in Brussels last Friday. It is heartening to know that we face the Brexit challenge with all of the stability and solidarity of our EU membership and what it brings.

Given the current political uncertainty in London, the risk of a no-deal Brexit remains significant. Ireland and our EU partners stand by the withdrawal agreement and still see it as the best way and best mechanism to achieve an orderly withdrawal of the UK from the EU. However, we are committed to finding a way forward. The EU is open to considering any credible, fully worked-out proposals put forward by the UK so long as they achieve the same outcome as the backstop. While the UK has provided the Commission with four technical non-papers, these do not constitute formal proposals or amount to legally operational solutions. As the Taoiseach stated after his meeting with Prime Minister Johnson in New York, there remains a serious and significant gap between what the UK is putting forward as possible solutions and what the EU can accept. Irrespective and despite what we have heard in recent days, that position has not changed.

Against this backdrop, the Government's continued preparations for Brexit have the highest priority. We have always been clear that a no-deal Brexit would result in absolute disruption and severe negative economic impacts across this island. We are, however, continuing to actively prepare. This planning includes engagement at EU level, responses by Government and actions by business and individual citizens. These measures, I believe, are working. We have held more than 1,200 stakeholder preparedness events that covered sectors ranging from construction to tourism and issues ranging from customs requirements to currency fluctuations. These events are guided by advice from Departments, Government agencies, county councils and individual sectors. More than €70 million in support funds is available through Enterprise Ireland alone, which is just one support mechanism. I encourage the business sector to access the funding that is available to them.

Continuing the approach of Budgets 2017 to 2019, Budget 2020, that Minister for Finance, Deputy Donohoe, will announce next week, will look to support the sectors most exposed. As one of the UK's closest trading and business partners, Brexit will mean change for all Irish businesses regardless of location, size or sector. It is vital that exposed businesses, in particular, prepare for no-deal. The Government's campaign entitled Getting Your Business Brexit Ready - Practical Steps focuses on the nine steps that every business, whether it is large or small, should take now to help it prepare for Brexit. Since 16 September, local enterprise offices have

begun weekly slots on a number of local radio stations nationwide, providing information on getting businesses ready for Brexit. Many businesses have already taken the necessary steps but I urge those that have not to do so as soon as possible.

I shall now discuss the landbridge, which is a huge concern given our status as an island but also because we export 90% of what we produce. Given the importance of the landbridge as a trade route for our businesses and economy, the Government has been working to ensure that transiting, via the landbridge, remains as efficient as possible in all Brexit scenarios. These efforts are both domestic, in terms of new infrastructure and processes in place in our ports, and international. In particular, we have begun engaging with our colleagues in the Commission, in France, Belgium and Luxembourg, to mitigate as much as possible the effects on goods transiting via the landbridge. There was a shared recognition of the strategic importance of the UK landbridge as a transit route for all our economies.

Let us be clear, the landbridge after Brexit will not replicate the *status quo* for operators. It will very much depend on traders being compliant with the new requirements. Detailed advice on this is available on the Government's Brexit website, which I strongly urge people to consult.

Targeted information campaigns are under way to ensure that operators are aware of the steps that they must take and the supports available to them. As noted in the July 2019 contingency action plan update, operators should be prepared for delays at UK ports in general, and at the port of Dover in particular, given the general disruption that a no-deal Brexit would cause and given the clear understanding that we cannot expect Irish hauliers to be given special or preferential treatment over other European hauliers or, indeed, hauliers from the UK.

The Border in the event of a no-deal Brexit scenario, which is a serious question that is being raised, would result in far reaching change on the island of Ireland and risks for Northern Ireland and the Good Friday Agreement are significant. This is not something to be taken lightly and is certainly not something that we are taking lightly.

The Government continues to work closely with the Commission to meet the shared twin objectives of avoiding a hard border and protecting the Single Market and Ireland's place in it. This work involves us looking at necessary checks to preserve Ireland's full participation in the Single Market and the customs union. Any arrangements in a no-deal scenario would be sub-optimal to the backstop and have profound implications for North-South trade, including through the impact of tariffs, checks, additional costs and administrative burdens. I believe it would have an impact on the co-operation that has evolved North and South since the signing of the Good Friday Agreement. To avoid the emergence of a hard border and protecting the Good Friday Agreement, North-South co-operation is essential deal or no-deal. In the event of a no-deal it will be a prerequisite to any negotiations on a future agreement between the EU and the UK. The Commission has been very clear in saying that in the event of a no-deal in order for negotiations to re-engage financial settlements, citizens' rights, the Irish Border and the Irish protocol will be back on the table.

It is important to remember that Ireland is working on preparedness and contingency planning as a committed member of the EU 27 with the full support of the European Commission and other member states. Many of the actions aimed at mitigating the effects of Brexit are also being taken at an EU level as they involve sectors regulated by EU law. The EU has put in place contingency measures in a range of sectors of particular importance to us such as aviation, finance and road transport. The EU has published some 80 preparedness notices, providing guidance for businesses and citizens. We welcome the Commission's proposal to extend financial

supports, should there be a no-deal Brexit, by making the European Globalisation Adjustment Fund available to support Member States and affected workers. We are engaging with the Commission and other member states on the proposed scope and details of the measure. We have been assured, in the event of a no-deal, that further financial supports would be provided, not just for us but other member states negatively impacted.

Brexit presents an unprecedented challenge to Ireland. It is only by working with the Government, business and citizens together and with our EU partners that we can aim to mitigate, as much as possible, the implications of a no-deal and ensure that we are as prepared as we can be for the changes it will bring. However, we cannot understand and know all of the potential challenges that may arise.

I am happy to take any questions that the Committee members may have. Again, I thank the Chairman and the committee for the invitation to address the committee today.

Chairman: I thank the Minister of State for her overview. I call Senator Paul Coghlan.

Senator Paul Coghlan: I welcome the Minister of State and thank her for giving us the exact position as of now. I join with her in congratulating Commissioner Hogan on his hearings on Monday and his success.

I believe that we have not reached the eleventh hour just yet and, therefore, we should not upset ourselves. I am not saying that the Minister of State has done so and she has been very factual. We have had papers or non-papers and so on. A lot of what we are hearing on this side may rely on leaks but she may have more information than some of us have about the papers. I wonder if they are not somewhat of an opening or ongoing gambit on the part of the British Prime Minister. We must remember that he is playing to his own audience in Manchester, as we know at the moment. As the Minister of State has stated, our protection of the backstop and the Good Friday Agreement is rock solid, which of course we all welcome. Is the British Prime Minister running down the clock, so to speak? He has said he will obey the law, and there is the Benn Act, so will we reach a stage where he will seek an extension from Brussels? Britain, as much as Ireland, needs to get into that transition period of two years or however long it will take to work out a full and proper trade agreement. We all hope that common sense will prevail and that discussions will continue to take place. We have to travel in hope rather than despair but I fully accept everything the Minister of State said about the preparedness and the preparations being put in place for a no-deal Brexit. We have to be ready for that if it happens but given the state of the British Parliament and what it has decided already, and the Benn Act, I cannot see it happening.

Deputy Seán Crowe: The Minister of State is very welcome. To follow on from that, Brexit is overshadowing everything. I listened to the Minister of State's remarks and there is probably very little in them with which I would disagree but I have a different view from that of my colleague on my left. I am alarmed by what is contained in the non-papers. That we would have a buffer zone on both sides of the Border is extremely worrying. It is clear to me that people in the British Government are not listening to many of us in Ireland. I do not get the sense that they understand Ireland and the challenges we face, particularly in the Border areas. I do not believe they know much about the history of that area, that it is a contested area and that we have a peace process that very much needs to be nurtured. We have this ludicrous suggestion in one of the non-papers that was put forward but my worry is that they are not listening. They have not been listening up to now. I share the view that they are running down the clock and what we are facing into as a result of that. It will be a disaster for Ireland but it will also be

a disaster for the people in Britain. The worry is that this is more about the next election rather than trying to get a deal with the EU and Ireland.

In terms of what we can do, the Minister of State said that this was part of the discussions, and possibly a no-deal Brexit. Does she see any weakening on the part of any of the countries in the European Union? There was some suggestion that the British Government would try to put pressure on some countries to opt out of this process. Does the Minister of State believe those countries understand Ireland? Do they realise the challenges we are facing? Is there any talk of relaxation of fiscal rules? If they accept that a no-deal Brexit will be a disaster, what flexibility will they show Ireland in the future? Are those practical issues being discussed? I do not have a disagreement with the Minister of State. If there is disagreement from the Opposition it is on the question of preparation. Do they understand that in Europe? Are we asking our European partners for A, B and C in terms of trying to mitigate against a no-deal Brexit?

Deputy Bernard J. Durkan: I welcome the Minister of State and congratulate her and her ministerial colleagues for the work they have done at European level and in the context of Brexit. In particular, I congratulate Commissioner Phil Hogan on his continuation in what will be an important and challenging role for the next five years. This Commission and European Parliament will experience more challenges than have ever faced Europe since the formation of the European Union. We wish them well because that is what will be required.

I refer to the necessity for continued support for the Common Agricultural Policy, CAP, on the basis that our agrifood sector is as important to us as engineering and motor manufacturing sectors are to other countries in that it is indigenous and self-sufficient. As there is minimum importation and maximum exportation related to it is crucial to our economy.

We congratulate and support the Minister of State on the enlargement process as it currently stands.

Regarding Brexit, we have to acknowledge the support from all political parties and none in this country. They recognise the importance of Brexit from an Irish perspective and we have to congratulate them on that. We must acknowledge the tremendous work of the European Commission, in particular the negotiators, and recognise the time, energy and diplomacy invested in the issue by our colleagues in Europe.

My view on Brexit is so far, so good but I am not optimistic. I am concerned for this reason. From the outset, the Good Friday Agreement was seen as a crucial element that could not be interfered with in any way in the future simply because of the tragic experiences we had in this island of Ireland for many years. The agreement was reached after a long, drawn-out process that many of us thought would never come to a conclusion. For anybody to suggest interfering with that or weakening it is sad.

Another issue worries me slightly. How stands international agreement from now on? To what extent do we honour international agreements? Presumably, we honour them in letter and in spirit. If we deviate from that, there is no sense in having international agreements or agreements that are entered into by governments on behalf of the people. What happens if somebody comes along and says, "By the way, all of that is changed as of now"?

The island of Ireland as an economic entity remaining within the customs union and the Single Market would be the best outcome for Brexit if there was to be a better outcome. I implore all involved to stick to that.

I am amazed by the suggestion about a border. Those of us on both sides of this island love talking about a border and that we do not want a border but the suggestion recently is that we should have two or three borders. Presumably, the negotiating tactic would be that one or other of those borders might be removed as a means of enticing agreement.

This is a particularly challenging and difficult time and much will remain to be dealt with in a year's time. It is not something that will go away overnight or in a discussion between now and Christmas. This is a serious issue for the island of Ireland and the European Union and it is very serious, and this has not been debated adequately, for the United Kingdom. It is not in the interest of this country to have the United Kingdom in a disadvantageous position as a result of a decision taken by whomsoever.

We hope the solidarity that has been the hallmark of debates and discussions on Brexit remains. If it does, I believe the outcome will be the best that can be achieved regardless of what else is on offer.

Senator Gerard P. Craughwell: I welcome the Minister of State and I join my colleagues on congratulating Mr. Phil Hogan on his appointment. I want to cut straight to the chase. A senior politician in this country has said this may boil down to the Single Market or the Good Friday Agreement. I would like some assurance that both are held in equal esteem and neither is trade-offable against the other.

I have a number of specific questions. Will the Minister of State tell us what exercises have been carried out with respect to import-export customs checking on our ports? Do we know how long it will take to check a 40 ft trailer and how long it will take to clear a truck? We were told there will be 9 km of tailbacks in the UK. How far will the tailbacks be in Ireland? What facilities have we off-site for Dublin Port, Rosslare, Waterford, Cork and, possibly, Foynes in Limerick to allow for the parking or stacking and racking of trucks until they are cleared?

Clearly, we have lost all corporate knowledge of managing a customs border over the years. I note some vehicles were delivered to County Louth yesterday. Is training taking place for customs officials? This brings me onto the issue of the Border or borders, as my colleague adverted to. The Conservative Party, and in particular the Prime Minister, have no understanding of what a border in Ireland means, as they suggest we might have a border ten miles north of the actual Border and ten miles south of it, creating a 20-mile no-man zone somewhere between the two jurisdictions. This would give a field day to every criminal and smuggler that ever walked. On the basis of this, what accommodation has been prepared for the military in the case that we must reintroduce a border? If we put up a border post, we will have to have a guard and if we have guards, we will have to have military people to look after them.

The landbridge will clearly be a problem. In the past, some of my colleagues have stated that the British Government might allow for rapid transport between Holyhead and Dover. This is just not going to happen. At the end of the day, trucks are trucks and they will fall in line with whatever trucks are there. The seabridge becomes an option but there will be an expense or cost involved in using the seabridge to go directly to Duisburg, the Hook of Holland or wherever. Will we be able to provide some support for companies to get over the initial cost impact of using the seabridge? In the event of an illegal - as we understand it - crash-out on 31 October, is it not true that on 1 November 2019, trade talks will have to start anyway? The notion the UK will crash out with no deal is a bit of a nonsense because it will have to find a deal within a few months of crashing out anyway. I will leave it at that because I know the Minister of State's time is very tight.

Deputy Seán Haughey: I will take up the point made by Senator Craughwell on the Dublin Port tunnel. I represent Dublin Bay North and the Dublin Port tunnel is major infrastructure on the north side of Dublin. If it closes for five minutes because of an accident, there is traffic chaos in the entire city. I hope plans and preparations are being put in place for the event of a no-deal Brexit. I hope the Minister, Deputy Paschal Donohoe, who represents Dublin Central, is giving the issue great attention. There is nothing surer than that the citizens of Dublin will be greatly discommoded if traffic comes to a standstill because of problems in the Dublin Port tunnel in the event of a no-deal Brexit.

I agree with the Minister of State that the issues in the withdrawal agreement will be the first items on the agenda in the event of a no-deal Brexit. I hope it is realised by all parties concerned that these issues are simply not going to go away.

Will the Minister of State confirm that discussions have taken place between the Republic of Ireland and the European Commission on measures to be taken in the event of a no-deal Brexit? I am not asking for details of the discussions but are such discussions taking place? When will we know the details of these discussions? Obviously, there are a lot of issues to be considered in this context and I am interested to know where that stands.

With regard to the new European Commission, we have a new European Parliament that is very fragmented in comparison with previous European Parliaments. I am interested in the fallout from this and the appointment of Ursula von der Leyen as the President of the European Commission. She tabled a proposal to have a Commissioner to protect the European way of life. Where does this stand? I know the European Parliament is quizzing the European Commission nominees at present. Is this still something that is being pursued? As for the Minister of State's comments on the rule of law, we have President Trump in the United States and Mr. Johnson as Prime Minister in the United Kingdom, and adherence to the law seems to be becoming increasingly optional in the world today. We have the rise of the far right in the European Union. Given the fallout from the appointment of Ursula von der Leyen, can we be assured the new European Commission will continue to pursue it actively? The fundamental values of the European Union are at stake. I am interested to hear the comments of the Minister of State on this issue.

Deputy Frank O'Rourke: I thank the Minister of State for coming before the committee and giving us such a detailed statement and update on the ongoing work. I want to follow on from what my colleagues have said on Dublin Port, where I worked for 19 years. Many exceptional thriving companies that employ a lot of people are based there. They operate on the basis of moving in and out fairly seamlessly to do business. This is effective and good for the economy. If no proper infrastructure and plans are put in place, it will have huge implications both for the city and for the many companies operating very effectively and efficiently in Dublin Port. They need the road infrastructure to operate competitively because we certainly would not want anything to impact negatively on them. There is a broader context for the existing businesses operating in the area and they need to be considered, supported and assisted.

To come back to what we are hearing through leaks and rumours, which may not be true, what are the thoughts of the Minister of State on the British Prime Minister even considering such alleged rumoured or leaked proposals, given that he knows it would be completely unacceptable to the Irish Government, based on conversations and the agreement in place since December 2017, not to mention the illegal implications of what he proposes or suggests? I am concerned, following the comments of a previous speaker, that if it is true, he is pursuing it on the basis of a softening of position in Europe to try to get a deal. In such a case, will the

agreement and plans in place between the Irish and British Governments become the sacrificial lamb with regard to getting an outcome, deal or agreement? Obviously we do not want this. We know it is totally opposed, not alone by the Irish Government but also by all parties in the House.

There have been rumours about an extension of time and this has been spoken about and discussed at various levels. How does the Minister of State feel this could come about given that the British Prime Minister, Mr. Johnson, has certainly said he will not look for an extension of time? Europe has indicated an extension would be supported, and the Irish Commissioner, Phil Hogan, has said on public record it would be supported and given, but how could it come about, given the Prime Minister of the day has certainly indicated he will not ask for it? This leads us to believe the UK is heading for a crash-out at the end of October if there is no deal in the meantime. How does the Minister of State see this playing out with regard to an extension if it were to be considered?

With regard to the funding available to businesses, I am a supportive advocate of the SME sector, given that they are the lifeblood of the economy and the number of people they employ. Why does the Minister of State think there has been such a slow take-up of that funding and why are they not knocking the door down to avail of it? Is it because the scheme is too complex and complicated? Is it surrounded by too much red tape? We know that business is struggling in a number of areas. Although the economy is recovering and we are back to a very low percentage of unemployment, business is still struggling every day with wages, high insurance costs, access to credit and all that goes with it. Is this perhaps a step too far and the scheme too complicated and complex and that this is why they are not availing of it? Is the red tape something the Minister of State has considered and something that needs to be reviewed?

I must apologise to the Minister of State and the committee, but I have been selected to deal with a Topical Issue which is very important in local politics in the constituency. I will probably have to leave before the Minister of State replies to my questions.

Deputy Helen McEntee: I will respond to the Deputy's comments first as he has to leave.

There has been significant investment, not just in Dublin Port but in Rosslare and the airports also. It has allowed for new customs bays, new inspection bays and new parking spaces. Moreover, additional staff have been hired; additional space has been bought and permanent infrastructure put in place. Not all of the permanent infrastructure is in place in Rosslare, but there are temporary measures which we believe will address many of the challenges we may face, taking into account the fact that the United Kingdom would be a third country, which would require separate bays, separate inspections and separate routes. The biggest challenge we potentially face is hauliers not having the full paperwork filled in, not having an EORI number to allow them to trade with third countries, not having their customs declarations filled in properly or at all and not having the paperwork ready. This could all create delays.

To answer the question about the training of customs officials, last week the Minister for Business, Enterprise and Innovation re-emphasised an ongoing training programme - it has been ongoing for some months - under which we have been training individual customs agents to work with either businesses or companies which may have only one or two people to ensure they will have the correct and appropriate information to fill in the customs declaration forms. A huge amount of work is ongoing, but, as well as that, customs inspectors have been hired. There has been an increase in numbers. As I mentioned, we are possibly looking at an increase from around 1.2 million or 1.3 million customs declarations forms to potentially 20 million in a

very short space of time. Therefore, a huge amount of work is under way in that regard.

With reference to the Prime Minister, the leaks and what we have been hearing in the past few days, I have to stress that they are reports and that nothing has been presented to the Commission in the form of a legal proposal or legal document. I watched the Prime Minister's speech this afternoon and there is no greater clarity. No details of any proposal were outlined in it. Again, we need to wait for the official proposal to be made and any legal documentation to be presented to the Commission. Until that is the case, what I have said publicly is that much of what we are hearing is not compatible with the commitments as set out by the United Kingdom. Without any clear proposal or details, it is just speculation. We have to be ready and willing to hear what it might propose.⁰

On an extension of time, as Deputy O'Rourke rightly put it, it would have to be requested by the United Kingdom. The European Union cannot grant an extension without a request being made by the Prime Minister. Of course, an Act has been passed by the UK Parliament which legally requires the Prime Minister to seek an extension, but, again, it is not something in which we can be involved, nor would we be. If an extension of time was to be asked for, from our point of view, if we were faced with no deal or an extension, obviously, an extension would be appropriate. However, we would need to know that it would not be a rolling extension that would just prolong the uncertainty and challenges for industries that are already facing significant challenges without a clear direction as to where we are going.

On funding supports, many supports have been accessed. A significant number of direct payments have been made across different sectors, from agriculture and small and medium enterprise to tourism. There are also loans available, but, as the Deputy can understand, irrespective of whether they are long or short term, or whether they are at a lower rate, it is money people have to take and then pay back. For the two largest loan schemes of €300 million each, people have been approved for half of the funding, but only a fraction of it has been drawn down. I do not think it is because the schemes are overly onerous or complex. They are not the complaints we have been hearing through the various channels, including Enterprise Ireland, Bord Bia, the Department's agencies, local enterprise offices or councils. It is simply that people, understandably, do not want to take on a potential financial burden if they do not need to. Again, I stress that being approved for a loan does not mean that one has to draw it down; being approved means that they have that safety net if they need it.

On overall supports, I again stress that the Minister will be announcing a budget next Tuesday in which there will be specific, timely, targeted and, we hope, temporary measures for specific sectors that we know will be impacted on in the event that there is no deal. We already know that small and medium enterprises, the agriculture sector, the tourism sector and the retail sector will be among them.

To respond to Senator Coghlan's comments on my negative tone, I believe a deal can be done. As I said, we are hearing about elements of a paper that has not yet been presented. Much of what is being relayed through the newspapers is not compatible with the commitments made. However, we have to be willing and ready to accept any new proposal and look at it objectively.

To respond to Deputy Crowe's comments about our EU colleagues, there has not been any weakening of which I am aware through my engagement with all of my EU colleagues and the same goes for the Tánaiste, the Taoiseach and several other Ministers. There has been no change in position. I believe they understand the challenges we face. Because many of them have come here to meet not just the political representatives but individuals living along and

near the Border and the business sectors which would be impacted on if there was no deal, I believe they understand the position. That is why we have already seen support from the Commission, including the beef exceptional aid measure which was an additional support. A total of €50 million was allocated from the Commission which was then matched with €50 million from the Department. We have up to the value of €200 million available through the rescue and restructuring scheme under the Department of Business, Enterprise and Innovation. Again, it is a relaxing of state aid rules, given the acknowledgement that businesses are already facing significant challenges businesses. Some of the money has already been accessed. We have also had the very clear indication that, in the event that there is no deal, when industries will be impacted on in a negative way, further financial assistance will be made available, not just for Ireland but for other member states also. I believe they understand our concerns. They have already shown flexibility but, obviously, until we know what the overall situation looks like, it is hard for them to provide further details.

On the United Kingdom pressurising other member states, if it has, we are not aware of it and there has been no change in position. It is my understanding the EU 27 will remain strong and together when it comes to the European Council meeting on 17 October.

To respond to the Deputy Durkan's contribution, the CAP and the agrifood sector are top of my priorities when speaking about the MFF. If we are to ask the farming community not just to be champions of food security around the world but also to protect the environment, among other things we will need to ensure they are adequately funded, that it is not just a love and a passion for them but that they can make a living from it also. We know that the farming community has been going through a very difficult period. There are suggestions the agricultural budget, the CAP in particular, is a traditional and older priority, but, for me, they are very real current priorities, ones we need to protect both now and into the future.

On the Good Friday Agreement and being optimistic about future international agreements, we have consistently reminded the United Kingdom of its obligations to what is an international peace treaty. We will continue to do so right up until the end of the deadline.

Senator Craughwell spoke about our twin objectives and asked whether either of them was tradeable. The simple answer is "No". Our objective in our communications with the Commission is to protect the Single Market and Ireland's place in it. It is also to protect the Good Friday Agreement. The Single Market is extremely important to the economy and our livelihoods. As I said at the beginning, we export 90% of what we produce. As an outward-looking trading country, the Single Market is our largest market, one we need to protect. The Good Friday Agreement is extremely important to every person on this island, both North and South, and we need to protect it. Dual testing is currently ongoing. This includes physical checks but also desktop studies. I do not have the exact details of that but it has been ongoing for some time and continues weekly. If there are details, maybe I could get them for the committee separately.

Training of customs staff is ongoing. In the last month or two, it was perhaps 611, although do not quote me on that figure. A substantial number have been trained recently. What we are talking about with regard to the Border is very different from what the UK is proposing. The UK is proposing a permanent solution which would involve checks as part of a deal and that is not something we will accept. With regard to no-deal planning, we are talking about damage limitation. There will have to be checks. However, they cannot pose a security risk or threat. They would potentially not allow the *status quo* to be maintained and would be temporary, in our view. We are talking about two very different things but to answer Deputy Haughey's question, that conversation is ongoing and we hope it will be concluded in the coming weeks.

Significant work has been done by private companies and sea ferry operators on the supports available for the landbridge. We have the *MV Celine*, which will be the largest ro-ro ferry in the world, which has been added to ensure that we have adequate space between Ireland and mainland Europe. We have the *MV W.B. Yeats*, a passenger ferry as well as a haulage vessel.

The Minister is looking at the financial supports sought by hauliers and the transport sector along with overall Brexit supports in next Tuesday's budget. I do not have clear details on that but I think we will see it next week and that there will be an attempt to try to accommodate any requests or supports when it comes to Brexit preparedness over the next week.

With regard to the new Commission role on the EU way of life, I think the relevant committee is mainly focused on migration and security. The title of the Commissioner has raised a number of questions. I am not sure whether that title is changing or if there has been a change in focus. The substance of the Commission is the important matter, relating to migration, security and trying to build a consensus. In the two years I have been a member of the General Affairs Council, it is the one issue that we have failed to move forward and find a consensus on. There needs to be an additional focus on that and I am glad the Commissioner is doing so.

The new mechanisms relating to the rule of law were raised by Deputy Haughey. The Commission has outlined a series of mechanisms that would work in parallel with the Article 7 process through which we have engaged with Poland and Hungary. There are also suggestions about financial implications for the next European budget but those would apply to all member states and would be equal and fair in their application.

If I have missed anything, people might mention it, otherwise I can come back to matters another time.

Chairman: I thank the Minister of State.

Deputy Helen McEntee: I acknowledge the ambassadors and our guests too.

Chairman: On behalf of our members, I thank the Minister of State and her officials for being here and for their ongoing engagement with our committee. The next couple of weeks will be terribly important not just for the people in Ireland and the rest of Europe today but for future generations too. We look forward to working with the Minister of State and the Minister, and we will all pull together for the betterment of the people of Ireland. I like it when things go according to plan and we are only about two minutes over time.

Sitting suspended at 2.54 p.m. and resumed in private session at 2.59 p.m.

The joint committee adjourned at 3.05 p.m. until 2 p.m on Wednesday, 16 October 2019.