

# DÁIL ÉIREANN

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## AN COMHCHOISTE UM IOMPAR AGUS LÍONRAÍ CUMARSÁIDE

### JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS NETWORKS

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*Dé Céadaoin, 16 Nollaig 2020*

*Wednesday, 16 December 2020*

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Tháinig an Comhchoiste le chéile ag 11.30 a.m.

The Joint Committee met at 11.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Teachtaí Dála / Deputies	Seanadóirí / Senators
Joe Carey,	Jerry Buttimer,
Cathal Crowe,	Gerard P. Craughwell,
Verona Murphy,*	Timmy Dooley,
Johnny Mythen,*	Ned O'Sullivan.
Ruairí Ó Murchú.	

\* In éagmais / In the absence of Deputies Michael Lowry and Darren O'Rourke.

Teachta / Deputy Kieran O'Donnell sa Chathaoir / in the Chair.

## **Business of Joint Committee**

**Chairman:** Apologies have been received from Deputies Matthews, Lowry and O'Rourke. Deputy Verona Murphy is substituting for Deputy Lowry and Deputy Mythen is substituting for Deputy O'Rourke. I welcome also Senator Gerry Craughwell to the committee. He is very welcome on his first day. Perhaps our virtual witnesses could turn off their microphones because we are getting echoes.

### **Impact of Brexit on Haulage, Freight, the Ports and Ferry Companies: Discussion**

**Chairman:** The purpose of our first session is to discuss the impact of Brexit on haulage, freight, ports and ferry companies. On behalf of the committee, I particularly welcome Mr. Eugene Drennan, president of the Irish Road Haulage Association, who is with us here, as is Mr. David McArdle, treasurer of the association. Mr. Kieran O'Callaghan, CEO, Mr. Damien Regan, operations director, Mr. Brian Cahill, chief financial officer, Mr. John Cleary, head of information technology, and Mr. Brendan Wall, commercial director, from Cargo Logistics are appearing before us. We are also joined by Mr. Aidan Coffey, Irish route director, DFDS, and Mr. Christophe Mathieu, the chief executive of Brittany Ferries.

We very much welcome all the witnesses. I want to acknowledge, in particular, the trouble Mr. Aidan Coffey of DFDS and Mr. Christophe Mathieu of Brittany Ferries have taken to be here today.

We invited Irish Ferries and Stena Line but representatives of neither company were able to make it. We find that extremely disappointing because they are two of the principal ferry companies that operate cross-Channel. We ask that they appear before us early in the new year. I hope that we get that commitment because they are a key ingredient. It is hugely regrettable that they are not here today.

**Senator Jerry Buttimer:** It is disappointing. I agree with the Chairman's remarks in the context of their not coming in. I propose the Chairman makes public their correspondence or engagement with the committee, or the lack thereof.

**Chairman:** We had initial correspondence from them yesterday to the effect that were not going to appear. I made direct calls to both Irish Ferries and Stena Line myself, as Chair, something I would not normally do, but I felt so strongly on this particular matter that I felt we had to put it on the record that we wanted all the ferry companies represented. DFDS, through Mr. Aidan Coffey, and Brittany Ferries, through Mr. Christophe Mathieu, obliged and agreed to come in at very short notice and I acknowledge that. Irish Ferries and Stena Line are covering cross-Channel routes frequently, following each other across the Channel, and their representatives should be here today. We will be writing to them to that effect and asking them to appear before the committee early in the new year. That does not take from the quality of the witnesses that we have here today. They are also principal players in the industry.

All witnesses are reminded of the long-standing parliamentary practice that they should not

criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable, or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. Therefore, if their statements are potentially defamatory to an identifiable person or entity, they will be directed to discontinue their remarks and it is imperative that they comply with any such direction.

For witnesses attending remotely, there are some limitations on parliamentary privilege and, as such, they may not benefit from the same level of immunity from legal proceedings as a witness physically present does. Witnesses participating in this committee session from a jurisdiction outside the State are advised that they should be aware of their domestic law and how it might apply to the evidence they give.

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 Houses or an official either by name or in such a way as to make him or her identifiable.

Stena Line has stated that its representatives will come in next year and I hope Irish Ferries will do likewise because it is critical they are here. I call on Mr. Drennan, president of the Irish Road Haulage Association, to make his opening statement.

**Mr. Eugene Drennan:** I thank the Chairman and the committee for inviting us. There is a buzzword phrase coming into our vocabulary in the past few weeks, and it is the “level playing field”, which refers to fairness in competitive trading. It is more to do with the UK but it is what we are looking for as well. We are looking for a level playing field in order that we can still compete in Europe. We are an island off an island and we cannot change the time that ferries take but it leads to logistical nightmares and other issues with which we need some assistance to keep on that playing field.

The Irish road hauliers have responded over the years to the requirements of industry and customers, whatever they may be. They have given a very good and thorough service to the customers and by doing so, we may have somewhat inadvertently created an excellent, streamlined and efficient business to take the goods of Ireland to market and the requirements of Ireland home. We must do our best and perhaps go the extra steps in order to keep that streamlined service in place. That is why we are here today.

At the outset, I commend the committee on having us here today and it is vital that it retains its vigilance and interest in what happens to our freight and transport industry in the coming months. The committee has a particular role in holding the State and its agencies to account to ensure that they do their jobs properly and place the needs and well-being of our citizens to the fore of their consideration and focus. It is very important that the committee understands that the next four weeks will be a period of unprecedented disruption for the movement of goods in Ireland. The period might stretch longer than four weeks because of stockpiling, and there may be a quiet period in January. I can reassure the committee that the disruption is on the way nonetheless.

For the first time in nearly 50 years, we will be back with customs and import controls coming and going to the island. Even if a deal is reached and implemented between the EU and the UK on tariffs, the new arrangements involving inspections by the Revenue Commissioners, the Department of Agriculture, Food and the Marine, the HSE and An Garda Síochána will create hold-ups at our ports and airports. For hauliers, these disruptions and obstructions will have catastrophic consequences if the process is not streamlined as much as possible.

For a start we do not influence the scheduling of ferries, the opening of terminals or the management of traffic at our ports and approaching roads. We are entirely dependent on the people who run the ferries, control the ports and manage the traffic to ensure that they operate effectively and efficiently. Even without the new checks and controls, our ports are heavily congested at certain peak times. God only knows what the level of disruption will be in the weeks ahead. For our members, these new checks and controls will have huge implications and massive consequences.

As hauliers we are under considerable pressure to get our goods to their destination on time and in good condition for our customers. Our drivers also operate under strict tachograph rules, which tightly regulate their driving hours. If a driver goes over his or her hours, for example, while waiting for a customs or departmental check, he or she is hit by a mandatory rest period and can go no further. The driver would have to park up in the parking spaces of these authorities and cannot move if he or she is over that time. The disruption that this will cause is immense and has the capacity to slow the licensed haulage industry and introduce a logistical nightmare.

What can be done to ensure that we reduce the risks of delay, congestion and disruption to trade? First, it is vital that there is a single entity that takes responsibility for the free movement of traffic at our ports so that this does not fall between the cracks. For example, in Dublin Port, where any delays and congestion could be acute when the new system of checks and controls is introduced, the movement of traffic into and around the port falls to no fewer than six separate entities. These are Dublin Port Company, Dublin City Council, the National Roads Authority, Transport Infrastructure Ireland, An Garda Síochána and the Department of Transport. Some single entity needs to take overall control and responsibility for traffic into out of and around the port as otherwise, the ball will be passed from Billy to Jack and we will end up with uncoordinated chaos.

Let us tackle the obvious pressure points which we can do something about. For example, it is completely insane that the main roll-on, roll-off ferry services in Dublin Port all arrive and depart roughly within 30 minutes, 45 minutes or an hour of each other. The main four services in the morning come in between 5.30 a.m. and 6.30 a.m., and they reload and get ready to go back out to sea within 45 minutes to an hour between 8 a.m. and 9.15 a.m. This schedule ensures that there is massive pressure on facilities and the road network at specific times rather than being spread throughout the day. It makes sense that in the context of the challenges that Brexit will present, the schedules for these ferries should be spread out and not so concentrated. It is plain that we are creating this congestion ourselves and something will have to change.

This is happening when the ro-ro depots are opening in the morning. If the ferry companies do not make these changes themselves, then the port authorities should force them to do so and use whatever statutory powers they have to control ships within the ports under the Harbours Acts. There is also an added concern that we need to be assured that the ferry companies are not acting in unison, talking to each other or doing anything uncompetitive. I am not saying they are but the regulatory authorities should keep an eye on this and ensure it does not happen.

We also need the Road Safety Authority, RSA, and the Department of Transport to observe that this is going on and that this is not business as usual. They must recognise that licensed hauliers will face unprecedented challenges due to obstructions and delays and as such, they require an element of flexibility in the application of existing rules. We are not talking about compromising road safety or driver welfare, but instead about taking account of the acute pressure and stress on the sector with a more purposeful enforcement regime. They should actively

pursue the scope for any derogations that can be applied for the next extraordinary period. Some of the very tight rules around the tachograph can be adjusted, as was done at the start of the Covid-19 pandemic. It is not a very big adjustment but at least it allows flexibility and an easing of how we do business and allows us to get on with it a bit better.

Finally, it is imperative that the State agencies, including the Revenue Commissioners, the HSE, the Garda Síochána and the Department of Transport, which are going to be conducting the inspections and controls at our ports, deploy adequate resources and technology to allow them to do so with the least disruption possible. The inspection points need to be manned to meet demand, and IT should be used to the maximum to ensure that drivers can prepare for and minimise delays. A risk-based approach should be adopted to inspections.

The success or failure of Ireland's preparation for Brexit will not be on the shoulders of us but rather it will firmly rest with the State and the different State agencies that have been asked by the Government to carry out the preparations. We are asking that this committee should be fearless and relentless in holding these entities to account to do their job as efficiently as possible. They may need to take some steps outside their own remit, by which I mean that the liaison between customs staff here and their counterparts in different countries must be to facilitate the bringing about of practical steps to facilitate the streamlined movement of freight.

For example, some of the direct ferries are now in operation for the Continent and the main hub of Europe. They will be the ship of choice for most people but there will be times, perhaps as a result of sea conditions or customs requirements, when we will have to go through the land bridge of England. We also have a great fisheries industry, including shellfish, and with what is called a groupage load, a number of small fisheries people may send to destinations across northern France and perhaps down to Spain. That groupage requires a set of papers to be declared. We accept that we have to declare this in Dublin or Holyhead but what is declared in Dublin should be accepted immediately by France. Ireland is an EU country and we are only using Britain as a land bridge. Trucks are sealed and when they arrive in France, the register coming off the ship should be accepted. We should flow on simply with the paperwork.

**Chairman:** That is a matter the committee can explore. I thank Mr. Drennan. He will appreciate that we are tight for time.

**Mr. Eugene Drennan:** Before I go, there is an issue I would not like to overlook, namely that of Rosslare Europort. The indication from the agriculture authorities in Rosslare is that they are going to shut between 12 p.m. and 2 p.m. That is not really getting ready for Brexit. We need a more coherent approach.

**Chairman:** That is another point we will explore in depth during the proceedings. I thank Mr. Drennan. I call Mr. O'Callaghan from Cargo Logistics to make his opening statement.

**Mr. Kieran O'Callaghan:** I will start by going back to 2016, when I attended a procurement conference in Dublin. Brexit and its potential fallout comprised a recurring theme throughout. The guest speakers were talking all things Brexit but, to my surprise, the conversation was centred mainly on air passengers travelling through the UK, with no reference to what Brexit could mean for our supply chain. The supply chain is the roof over our heads, the clothes on our back and the food on our table, etc. Transport drives our supply chain and thus it is the backbone of our economy. From the conference, it became evident to me quickly that change in transport methodology was needed.

The discussions today should not just focus on damage limitation in respect of how we can avoid delays on the UK land bridge and minimise the risk and disruption of such delays; rather, we should use these discussions to understand how we can shape an autonomous supply chain, how the Government can invest in our air, sea and road freight models to deliver a supply chain infrastructure that can underpin our economy and express our vision as a country to prospective foreign direct investors and opportunities in the e-commerce and logistics space.

My expertise specifically relates to the air freight model, which is built on the components of speed and time-definite delivery. I began my career in freight forwarding in 1981. I have worked at home and abroad in leading senior management positions, and I became CEO of one of Ireland's leading mid-west freight-forwarding companies. The company ceased trading during the economic crash in 2009 and I have worked as a consultant since then. This experience has allowed me to evaluate Brexit and identify the three key risks that present themselves to the air freight model

from 1 January.

Before I move on to the risk assessment, it is important to provide context. The most recent Irish air freight study outlined how air freight represented less than 1% of the export volume but equated to 30% of total exports by value. This is also representative of global trends. The exports of 2019 were valued at €152 billion so clearly air freight is an extremely important cog in the Irish economic machine. To break down that number further, we estimate that more than half of that air freight is currently using the UK land bridge for global forwarding from UK and EU airports.

The first and most immediate and obvious risk to this air freight model are the bottlenecks that will, and already have started, to present themselves in the UK. Speed and time-definite delivery are foundations of our air freight model, which overnight will be in complete disarray.

The second key risk relates to the sphere of influence the UK will maintain over our supply chain after Brexit due to our over-reliance on the UK land bridge. The purpose of Brexit is for the UK to take control of its own destiny, but a by-product of that process is that it will also assume a level of control over our supply chain.

The final key risk identified, which is not exclusively related to the air freight model, relates to the transfer of data. The UK land bridge will facilitate the transfer of key economic data through customs AEP and documentation to UK customs, now that the UK is a third country and trading competitor. This is confidential economic data pertaining to our supply chain.

The solution, unfortunately, is not the daily ferry service direct to France because this increases the key risk to the air freight model, which is speed. The solution is a cargo air bridge service into Liege that bypasses the UK. This will provide speed, reliability and autonomy to our air freight model and ultimately our supply chain. The investment in the cargo air bridge service not only solves a Brexit problem but also enhances Ireland's value proposition to prospective foreign direct investors and indigenous entrepreneurs.

I have put together an experienced team that has the skill set required to create, operate, manage and further develop a cargo air bridge service for the Irish market in the most efficient and cost-effective way. Our team has broad experience of leadership and experience of all modes of domestic and international transport, including broad experience in logistics, avionics, IT and finance.

The landscape of global trade has significantly changed in recent years, particularly with the emergence of e-commerce increasing the reliance on just-in-time cargo and logistics from business to end user. It is time for Ireland's supply chain model to adapt. It is time to put a best-in-class supply chain model in place in terms of connectivity and reliability. The Government has an opportunity to make a clear statement to the world that we are open for business and we mean business by investing in a cargo air bridge service. It is a simple choice: fall behind under UK control or create a world-leading air cargo hub to service current and future foreign direct investment and Irish indigenous manufacturing, including e-commerce and logistics industries supported by the Irish Government and the IDA, creating thousands of jobs.

**Chairman:** I thank Mr. O'Callaghan. We will now hear from Mr. Coffey from DFDS. I am aware that he has no official statement. Given the timing, that is quite understandable. Could he give us an overview of the service he is bringing to Rosslare?

**Mr. Aidan Coffey:** On 2 January 2021, the DFDS will commence sailings on a new ferry route between Rosslare Europort and the port of Dunkirk in northern France. The route will be serviced by three ferries, each with a capacity of in the region of 125 lorries, both accompanied and unaccompanied.

DFDS Seaways Ireland was proud to announce this morning that the route will commence with the chartered ships *MS Visby* and *MV Kerry*, along with our own DFDS ship, *Optima Seaways*. The route will initially be serviced with six weekly departures from each port, with a crossing time of 23 hours and 50 minutes. From the outset, this will predominantly be seen as a freight service, reserving all cabins for freight drivers because the route has been initiated to support the Irish industry. After Covid-19, however, we might open up to accommodating passengers.

A new company, DFDS Seaways Ireland Limited, has been formed under the stewardship of the DFDS A/S umbrella in Denmark to develop this essential route to give direct connectivity between Ireland and mainland Europe after Brexit. DFDS has 154 years of experience in international shipping. It has a very large team of industry professionals on hand as it develops the new direct service.

We at DFDS are extremely pleased to offer customers in Ireland the opportunity to transport goods directly to or from other EU countries without the customs formalities and possible waiting times that the end of the Brexit transition period will bring about for the road haulage industry. The route will be registered as a regular shipping service, ensuring all goods transported remain within the Single Market and customs union. Over the past nine months, we have carried out extensive market research in all areas, including volume, capacity, speed, frequency and, most important, location of ports. Both Rosslare Europort and the port of Dunkirk were selected for their strategic locations, accessibility and preparedness for Brexit, with both having systems in place to ensure direct free-flowing access for Europe-bound traffic.

Timing and frequency are important because, upon arrival in Dunkirk or Rosslare, drivers will be fully rested, will be able to continue driving immediately and will be able to reach their many major destinations within their legal driving limit. In addition, the sea voyage will reduce the dependency on the UK land bridge and open direct opportunities for trade within the EU Single Market. Since the announcement of our service on 27 November 2020, we have received many inquiries and bookings because many manufacturers and producers, along with haulage industry professionals, are looking for new direct routes to mainland Europe while keeping their goods within the Single Market. The new line will create jobs

and activities in Rosslare and Cork, where DFDS will be represented by new offices, and in Dunkirk. In Ireland, the route will be led by me, as route director, and Mr. Darren Mooney, as sales and customer service director. We are extremely grateful for the support we have received from the port of Rosslare, namely from the general manager, Mr. Glenn Carr, and his team, and from the port of Dunkirk. Their flexibility, professionalism and excellent co-operation have enabled us to be ready with this service before the end of the transition period at the end of the year. We are confident the service will benefit customers on both sides of the route. We acknowledge the assistance of the Department of Transport, the Customs and Excise, the Revenue Commissioners, An Garda and the Irish Road Haulage Association to date in helping us to bring this service to fruition in such a short period.

We look forward to continuing to work with them in the coming weeks as we prepare for the launch on 2 January. I thank the Chairman and committee members for the opportunity to make this statement and for acknowledging the importance of the transport sector to the economy.

*Deputy Joe Carey took the Chair.*

**Mr. Christophe Mathieu:** Brittany Ferries has been sailing once a week between Roscoff and Cork since 1978. We completely changed our views two years ago regarding the potential of Ireland. We originally operated a route between Cork and Santander twice a week but we have now moved it from Cork to Rosslare and from Santander to Bilbao because we were slightly disappointed by the volumes at the beginning. There was also a security issue in Santander relating to migrants. We currently operate the service twice a week between Rosslare and Bilbao.

For the information of the committee, the service has a potential capacity of 20,000 pieces of freight per year. In recent weeks, we have seen a surge in demand for the service, which is very pleasing. We have gone from an average of 30 to 35 units per departure to well over 60 units. There is capacity for up to 110 units. It is very pleasing that Irish and Spanish hauliers are starting to use that service, which we opened two years ago in preparation for Brexit and the issues with the land bridge. Complementary to this service, on the Ireland-France connection, with the same vessels that operate on the Rosslare-Bilbao route, we will operate a service between Rosslare and Cherbourg. That comes in addition to Stena Line and Irish Ferries services on the route. In 2021 we will deploy another ship, the *Armorique*, to travel between Cork and Roscoff, which will provide further freight capacity.

In a nutshell, Brittany Ferries will go from historically having one passenger service crossing per week on the *Pont-Aven* to having five departures per week in 2021 with much more freight capacity. If my mathematics are correct, these services will be able to transport up to the equivalent of 30,000 freight units out of Ireland and directly to France or Spain. Brittany Ferries identified there was a business case for the service, as did my colleagues in DFDS, Stena Line and Irish Ferries. We recognise it is very important for Ireland to have these direct connections to the Continent. Cobelfret has also reinforced its capacity out of Ireland. I fully understand that there is nervousness because there will still be some requirement to go across the UK and the land bridge. However, the ferry industry has seriously developed its capacity out of Ireland. There is still room for more freight. For example, we are averaging 60 to 65 units per departure on our route to Spain but there is room to go to 100 units. Of course, we will all be watching very carefully in January and February as things unfold and Brexit becomes a reality. We will adapt upwards if there is demand for more capacity. Those are my comments at this stage regarding Brittany Ferries and our recent development of routes out of Ireland.

**Deputy Cathal Crowe:** I welcome the witnesses. I particularly welcome Mr. O'Callaghan

and Mr. Regan of Cargo Logistics. I have been in contact with them in recent weeks and, through the committee, invited them to attend the meeting. I am delighted to see them here. In the world of cargo, they have always offered solutions and they are now offering an economic solution to what is a real pickle for this country as we face Brexit, with or without a deal, in a matter of weeks.

I have highlighted at the committee in recent weeks that Boston Scientific brings cargo freight to Shannon Airport every day. Each crate is worth approximately €1 million. The freight is made up of high-quality medical components to be shipped around the world. The crates sit 100 m away from perfect aircraft but they are trucked at night all the way down the motorway to Rosslare, brought by ferry to Britain and, ultimately, are loaded onto an aeroplane at Heathrow to make their way around the world. Key opportunities are being lost. What is the value of the air cargo out of Ireland on which we are losing out? Which Irish airport is best positioned in terms of hangar space and runway length to cater for air cargo? It concerns me that air cargo currently only accounts for 1% of all exports leaving Ireland yet its value is extremely high, accounting for 30%.

I have been looking at a few international models. In geographic terms, Luxembourg is probably in a very enviable position at the heart of Europe but it is quite a small nation. Its Government has taken a 56.6% share in Cargolux, ensuring that at all times there is high value and high quantities of air cargo in and out of the country, which keeps the economy afloat. It is also profitable for the Luxembourg Government, with average profits in recent years of approximately €200 million. Regardless of passengers, Brexit or Covid, there will always be a need for cargo crates to be loaded onto aeroplanes and brought around the world. Have the witnesses looked at the Cargolux model? It certainly works well in continental Europe.

I put Cargo Logistics in contact with the Shannon Group. I understand that some of its conversations with the group may be commercially sensitive. What supports is Shannon Group making available? What does Mr. O’Callaghan want the committee to do in terms of getting his message to the Government?

**Acting Chairman (Deputy Joe Carey):** I thank the Deputy. I ask the witnesses to be conscious of time.

**Mr. Kieran O’Callaghan:** The Deputy asked a lot of questions. One of the important models he mentioned is Cargolux, in which the Luxembourg Government took a 56.6% stake. The Irish Government has never taken a percentage in anything closely relating to cargo, apart from An Post. It might have invested in ferry operators or aircraft of some type, but not in cargo. To look at another example, the German Government owns DHL. Deutsche Bank, which is owned by the German Government, owns DB Schenker. The logistics and freight forwarding industry is a profitable industry if it is done right. DHL became a conglomerate through global purchasing of other companies. The Deputy referred to Luxembourg. We have identified Liege as the ideal airport because more services depart from it, but also because Liege is centre to the golden triangle of air transport.

**Deputy Cathal Crowe:** Which Irish airport might be most advantageous right now?

**Mr. Kieran O’Callaghan:** In terms of Irish airports, Shannon Airport is the most advantageous. We also had discussions with Cork Airport. We have not had discussions with Dublin Airport. In my opinion, Cork Airport does not have the runway capacity to take a 747 freighter but Shannon Airport does. Another factor to be considered is that Shannon Group and Dublin

Airport Authority, DAA, are two completely different styles of business machines. Shannon Group is made up of four or five different companies, one of which is Shannon Commercial Properties. Many of the tenants of Shannon Commercial Properties are foreign direct investment, FDI, manufacturing companies. As such Shannon Airport has to service and intertwine its business from a different aspect. I was not sure what the Deputy was asking about in respect of the percentage of value.

**Deputy Cathal Crowe:** Without cargo flights leaving, how much are we losing out on?

**Mr. Kieran O’Callaghan:** What is meant by losing out?

**Deputy Cathal Crowe:** I gave the example of Boston Scientific. A large amount of air-freight is being trucked by Mr. Drennan’s colleagues by night to Rosslare. We do not want anyone to lose out but there are many key opportunities from Irish airports around flights that are not taking off.

**Mr. Kieran O’Callaghan:** Last year, we exported 64,000 tonnes of air freight.

**Deputy Cathal Crowe:** That was trucked.

**Mr. Kieran O’Callaghan:** No, that was the total exports by air.

**Deputy Cathal Crowe:** A lot is being trucked.

**Mr. Kieran O’Callaghan:** A total of 55% of the airfreight model is trucked via the UK land bridge at the moment.

**Deputy Cathal Crowe:** That is the point I am getting to. Key opportunities are being lost in that regard. The committee comes up with recommendations. There is an opportunity that Shannon would be a cargo hub into the future and that the State could look at establishing an air cargo capacity similar to what I have suggested and similar to the one that operates very successfully and profitably in Luxembourg. I would like that to be one of my contributions in our final report.

**Acting Chairman (Deputy Joe Carey):** That is something I and other members of the committee have an interest in. Shannon has huge potential to exploit cargo. I thank Mr. O’Callaghan for his positive engagement with the committee on that.

I welcome the Irish Road Haulage Association to the meeting. I thank them and their members for their extraordinary efforts during the past year. We really value the service they have provided in keeping those channels open, keeping products on our shelves and keeping the wheels rolling.

The Irish Road Hauliers Association have been harping on about Brexit for many a year. I compliment its positive engagement and work in trying to establish a new connection for Ireland through Rosslare. The new service announced on 27 November was fantastic. I compliment DFDS on that and for its presentation here today.

Mr. Drennan has outlined four different elements, but what is his biggest concern in maintaining the movement of trucks as we would like? I have received anecdotal evidence from hauliers that up to now they would book a service to go to a destination, maybe using the land bridge, and would have booked in either Rosslare or Dublin. There used to be flexibility where, if a ferry was delayed, instead of going to Rosslare they could go to Dublin. I am told that is

no longer allowed, that customs are stepping in and telling drivers they must travel from where they booked and there no longer seems to be the flexibility. Is that a concern?

**Mr. Eugene Drennan:** The Acting Chairman has the air of it; it is a concern. Our biggest concern is that we would score own goals, that our State agencies and the way we go about our business will cause the mayhem. It would be just crazy if we were to do that. On customs and booking ferries, anything that has to travel has to be declared now, which it did not have to be before with the free movement of goods. If we are going on direct ferries it is still covered in the free movement of goods, but the Irish-UK trade is 1 million movements a year. It is a €5 billion market. It is massive and way bigger than it was in the past when there were customs in the past. When we declare the goods that have to travel, it creates a pre-boarding number, PBN. Declarations create an electronic envelope and all details are in the envelope. They revert back to the laws of the customs union all the time in that we must also declare the ship we are travelling on and the identifier of the mode of transport of the goods is the ship.

**Acting Chairman (Deputy Joe Carey):** Was there flexibility before on that?

**Mr. Eugene Drennan:** There did not have to be because there was free movement. There still is flexibility. We can still change ships but we must identify the ship by its registered number. If we change ships, and we do so all the time - if a driver comes into Holyhead and misses the 8 a.m. Stena, that driver then goes on the Irish Ferries - it happens very fluidly and quickly, but technically, the declaration is wrong. Even though they take an easy eye on this because they know it comes, at the same time, someone in somebody's office has to go back to redeclare the goods and correct the declaration. It just makes it cumbersome. If they had identified the carrier of goods as the truck trailer, the whole parcel would travel the whole journey whatever way easily. If the customs union has to be adjusted to take care of that, then it has to be adjusted.

Airfreight, for example, travels on a number. There is a master number for the total of the consignment and they do not care how it travels around the world, through airports, any which way, because when it arrives, once it is complete and in front of the authorities who want to charge a tariff or seize it, it is fine. However, here we have to declare everything for the big volume of goods that we move. Such an adjustment would be a big help.

While a lot of work is done through the agencies within their agency and within their remit, which I would like to acknowledge, they would want to step outside their boxes and see how it joins together. The connectivity of the jigsaw has not been there. There has not been an overarching body to see what it all does. We badly need an Irish system that speaks to the English system. They are on two different platforms, so it is necessary to redeclare. IT has become so sophisticated, if we create this electronic envelope, it should travel easily and not have to stop. We have to stop if we are called by the regulatory authorities, but other than that, it should try to keep the free flow. What I said about fish also applies to loads of beef or other agriculture commodities or any product. When we arrive in France, the PBN will be related to the regulatory authority of the country we come into, and they know we have come through - it is all intact and sealed - and drive on. It is free movement. Ireland has free movement of goods in the EU, and that should be the way. France has no discharge offices at the ports. We have to travel six to ten miles one way or the other to discharge a document that should be done electronically. That would let the goods flow.

The existing ferries, Stena and Irish Ferries, do a very good service to the Continent, but the timeline and the insistence on them keeping up to their schedule is crucial to Ireland and to the date and time on goods now, to make sure we get to market. If a person is not in Rungis

at 5 a.m. and is supposed to be at a French meat market, the load will be sold off, discounted somewhere, and it will be of very little value.

**Deputy Ruairí Ó Murchú:** There are too many people to welcome everyone but I thank them for coming. I apologise to Deputy Catherine Murphy who has already heard this. We were at the Joint Committee on European Affairs earlier which Liam Lacey of the Irish Maritime Development Office, IMDO, attended. Were I to take on board what he told us, I would probably be very relaxed that the market will sort everything out and there will be no major difficulties arising from Brexit other than a couple of minor hiccups. I am not entirely sure that will be the case.

Will Mr. Drennan send the committee a document outlining what he is asking for that we can put directly to the Minister for Transport? He has spoken of obvious solutions. The committee has heard about the chaos we will have at Dublin Port regarding the traffic management system that will use the likes of the port tunnel as something that somebody drives around. We know the difficulties there will be in Great Britain. Has there been sufficient conversation in a proper forum with all the stakeholders - hauliers, ferry companies and business sectors - because I understand just in time requires people to get their goods within a particular period of time? As welcome as they are, some of the new ferries might not necessarily always suit. Has enough of this happened and does the State need to step and ensure it does to ensure we can mitigate whatever we can given that we do not know exactly what type of Brexit we will get other than it will be bad?

**Mr. Eugene Drennan:** There has not been enough discussion. We have been at all the seminars and meetings. Before me, Deputy Verona Murphy went to everything for four years. We gave our ideas, but when it came to conclusions or coming to a decision, we were not in there. In the past six months, we have been at a lot of webinars and have tended to be told what is coming and what we must do rather than having our concerns taken on board. The IMDO report on capacity changed the thinking and focus to one of capacity rather than the needs of this country and getting to market. It said we had enough capacity, yet since that report came out, two very big shipping companies are here who brought on big ships, so if we had the capacity, these people would not be coming to the table. It muddied the waters. That is a branch of Government.

**Deputy Ruairí Ó Murchú:** Am I right in thinking a number of stakeholders got together and that, in fairness to the ferry companies, it did not just happen out of thin air?

**Mr. Eugene Drennan:** No, it did not happen out of thin air. DFDS has been in negotiations for a long time trying to put this together all summer.

**Deputy Ruairí Ó Murchú:** So the market did not just sort it on its own.

**Mr. Eugene Drennan:** Brittany Ferries has been very live to Ireland for many years and has changed its model to try to suit. We welcome that and thank it for that. That report took a totality of capacity and totality of capacity to run any sort of ship but it spoke about cubic capacity, not linear metres of a truck, not the different sizes that may be and not the need of the service line and the just-in-time service line about which I have spoken. The Deputy is well aware of my views on that. The biggest thing that did was change the thinking within Departments and bodies that they thought it was safe for two or three months. We have spent six months harping on in different webinars to try to get some of this across. If there is one thing I would ask this committee to do, it is always to hammer home the necessity of trucks and truck drivers and the

service line because the attitude within public bodies tends to be that they will get through it or the market will take care of itself. It needs whatever help and assistance we can get to keep that field as level as possible and the service line coming.

**Deputy Ruairí Ó Murchú:** There has not been enough interaction. In respect of the correspondence the association sent us, I think Mr. Drennan needs to put the association's asks relating to the derogation as regards the tachograph at the top so that we have all those specifics, and we need to put it to Government. Obviously, Government can, for the want of a better term than "force", make sure these conversations that need to happen happen. I accept that-----

**Mr. Eugene Drennan:** Deputy Crowe referenced Luxembourg's freight. The cheapest fuel in Europe is in Luxembourg to keep the trucks rolling efficiently in and out of that country. In the budget, we got carbon tax. We were the only section that got taxation this year. We can take it while the price of fuel is low and Ireland has welcomed it, but as the price goes up, we cannot have it.

**Deputy Ruairí Ó Murchú:** I am on record as not being a fan of carbon tax. Obviously, the association's big ask and what people would have heard today in the media is for a czar. We all know of the chaos that will happen. We do not necessarily have control over what will happen in Great Britain. How does Mr. Drennan foresee that person operating and what sort of powers would he or she need?

**Mr. Eugene Drennan:** Somewhere in this House, in Government or the Harbours Act or whatever Act can be found, they must be told they have to do so. We are not looking for a sea change. We want one ferry to come across and leave an hour earlier and the other half an hour later. That leaves a better supply line to Ireland, the best time limit for tourists later on in the arrivals and the opportunities, and lessens the time we wait on the tachograph. This is where the container depots open up at the same time. They are trying to pack all their business into a short period of the day and then go home. We need a service line. We need them to be open late into the evening so that trucks will come in, reload and not be around in the morning. It is very simple. When the container depots open, we must get the ones that take in the empty containers who are outside the port. They have to mirror it. The container operators can dictate that. They can dictate the time they want the port open. It must be opened or we create this.

If we look at what is coming down the line, when the ferries come in, they are at the end of the piers. We may be called to the regulatory authorities, and for us to do that, we have to come out towards one end of the port to turn around and come in because the regulatory authorities are across the carriageway, so the inflow is being doubled. When they are done with, it is necessary to go back on the inflow to come out again. No matter where the regulatory regime is placed, and I am not criticising it, it will be in the wrong kind of place. It is as simple as having fewer trucks moving all at once.

**Deputy Ruairí Ó Murchú:** That will involve a conversation with everybody in the room.

**Mr. Eugene Drennan:** This House must tell them to get on with it.

**Senator Timmy Dooley:** I welcome the witnesses, who are fortunate in that they are from the mid-west and understand the sector very well. There is a great synergy about what both do but there is some conflict in terms of the evidence today. Reading both reports, Mr. O'Callaghan indicates that there is no need for another ship. Based on what I read last night, his presentation spoke about not having another ship.

**Mr. Kieran O’Callaghan:** We need more ships.

**Deputy Timmy Dooley:** That is good to hear. What I read from the documentation was that the answer may not have been a ship, but I am pleased that this is not part of it.

**Mr. Kieran O’Callaghan:** Can I explain that to the Senator?

**Deputy Timmy Dooley:** Yes.

**Mr. Kieran O’Callaghan:** The traffic that moves out of Ireland goes in what we call air trucks to go across the UK land bridge. In the system pre Brexit, we were ranked number eight among EU nations for air cargo traffic in transit time from Dublin to London-Heathrow. When we go on to the European airports, we are ranked number 15. When we take the direct ferry route not going across the land bridge, we are ranked number 26 out of the 27 EU nations in transit times. It is crazy that a country that probably has more foreign direct investment than any other is unable to service its air freight model in comparison with other competitors in the EU.

**Deputy Timmy Dooley:** That is what I am trying to get to the bottom of. All of these foreign companies have located themselves here in the knowledge that we do not have the kind of air freight Cargo Logistics is offering. I am trying to understand where we are missing out. It has always seemed illogical to me that we truck stuff all over Europe. When Dell was here, we were road freighting. I see Mr. Drennan smiling. He may well know this. In fact, he does. A lot of stuff went to Schiphol to onward locations in Europe. There were different offerings even at the time Dell brought in the two Antonov airplanes to fly product out of Shannon. For some reason, it was not viable. Is it something to do with the fact that the logistics business is now so complicated in terms of backloads and forward loads and has become so integrated that it is ultimately cheaper for these companies to get product where they want through this mixture of off the island by truck and on to an airplane? It would be great if somebody could enlighten us on that.

**Mr. Eugene Drennan:** I can answer that. There is room for both.

**Deputy Timmy Dooley:** That is what I hope.

**Mr. Eugene Drennan:** I am smiling because with regard to the company to which Deputy Crowe referred, I am the haulier who takes it there every morning and I am also the haulier who loaded those Antonov airplanes way back. High volume and relatively low cost goods will never go by air because it is too costly. There is a niche for high-quality and high-tech goods like pharma goods that may need to be covered. Cost dictates, as possibly does keeping the volumes up in Shannon, but there is room and the company has a very legitimate argument.

**Deputy Timmy Dooley:** That is good. Have the witnesses done some costing? We all like the idea of having this base at Shannon, which the witnesses are proposing. For far too long, we have recognised that there is redundant capacity with regard to ground handling, runway and storage. It ticks all the boxes. What would they estimate that the State’s financial requirement is to make this service viable?

**Mr. Kieran O’Callaghan:** North of €20 million per annum.

**Senator Timmy Dooley:** Do the witnesses have a detailed business plan?

**Mr. Kieran O’Callaghan:** The only thing that we can do without the permission of the

Government is get quotations.

**Deputy Timmy Dooley:** Why do the witnesses need the Government's permission? They are coming to us and I want to support them. If the witnesses can give us a business plan telling us what the opportunity is and what it will cost, then we will get behind it, because it would be of considerable benefit.

**Mr. Kieran O'Callaghan:** We would be delighted to do that. I do not think that today is the open discussion for that. The Senator touched on something important when he asked why foreign direct investment is coming to Ireland. I remember going to America in the late 1980s for business and reading a magazine about Fortune 500 companies. Some 70% of CEOs of Fortune 500 companies in the late 1970s or early 1980s were first or second generation Irish. Those CEOs left a legacy for foreign direct investment and it is why they all started coming to Ireland. The Fortune 500 at that time were mainly manufacturing companies. Not harnessing and protecting that would be crazy. IDA Ireland is doing a fantastic job. This year, we have had more foreign direct investment than any other country in the world.

**Deputy Timmy Dooley:** We are where we are with companies that are getting their product away without this service. Mr. O'Callaghan is offering the idea of a service to resolve some of the potential complications from Brexit. What additional potential investment might we be able to get from other companies? What other sectors would it open it up to if we had that kind of link?

**Mr. Kieran O'Callaghan:** Taking the e-commerce business, which involves electronic payment through the Internet, many companies are involved. If we had an air bridge going into Luxembourg, for example, we would become more competitive with small parcels, in that we could have an air freight feeder service into ground transport, rather than the whole air network of DHL. That would be significant for companies such as DPD and GLS. They both operate out of Liège airport.

**Deputy Timmy Dooley:** The primary source for the group of products is principally the island of Ireland, is it not?

**Mr. Kieran O'Callaghan:** Yes.

**Deputy Timmy Dooley:** Luxembourg gets stuff from all over the world because of its central location in Europe and sends it out by road to a substantial population base. That is why I am not so sure about the comparisons. Is there another industry sector, such as a manufacturing one, that we could target to base itself in Ireland, which could use the witnesses' services?

**Mr. Eugene Drennan:** We broached this with the committee last year and that was great, but it is still tentative. There would perhaps be an opening for east meeting west in Shannon.

**Deputy Timmy Dooley:** That was what I was trying to get at.

**Mr. Eugene Drennan:** There are significant sales on the Internet. It is very early. To back up the indigenous requirements for production, we could have a supply line for some of the eastern goods going into the UK, because they are getting badly knotted up. The supply line for Europe for the Internet has become so big that everywhere is really knotted before Christmas. The man beside me is involved and caught up in that. There may be an opening but it will have to be teased through. The companies that show interest will have to come up with the juice and show commitment. As I said previously, small steps could add to this and give this service

vital help.

**Deputy Timmy Dooley:** There is much synergy between what the road haulage and air transport people are saying. It is good that they are here together. I suggest that they work together on fleshing out the proposals so that we get something that we could recommend to Government. We have a bit to do before we can say to the Government to give a contract to somebody. We need to have a fleshed out proposal. With some of the ideas here, there are good opportunities. I thank the witnesses for their presence. I think we have something to build on.

Perhaps we could put this into our work programme and have the witnesses come back when they have considered the opportunity further. It is greater than the Brexit conundrum, based on what I am hearing.

**Acting Chairman (Deputy Joe Carey):** I encourage both groups to work together and come back with a proposal for the committee. We might bring them back to present it.

**Mr. Eugene Drennan:** Whatever timeline there is for Brexit, we might have examine how our systems are working and how we are able to keep systems going as a State and up to a level that we require to keep us going. I cannot emphasise enough that we have to keep the truck wheels rolling. The timeline is sensitive and there is a short time to bring in regulations. If we are held up, it will have catastrophic consequences down the line.

**Senator Jerry Buttimer:** I thank the witnesses. Mr. O’Callaghan referred to 747s at Shannon and Cork. Cork Airport might query that. It is important that we have collaboration.

How would Mr. Drennan describe the collaboration to avoid the disruption that he speaks about? Can he explain to the people who are watching or listening at home, in simple terms, the real potential impact that could happen?

The Cork to Santander service has been discontinued, which is disappointing. Could Brittany Ferries outline whether there are plans to engage with Cork port about reopening that route and is it open to the possibility of Cork being a hub of connectivity?

**Mr. Christophe Mathieu:** As I said in my earlier statement, the decision was because we wanted to go to Rosslare Europort. We felt that there was more potential, after a few months of trying Cork. When Brexit materialises, we will see exactly what level of demand there is for a route between Ireland and Spain, with a specific market for Cork. We decided that we had to try Rosslare because we were quite frustrated with the low volume going to Cork, with 30 to 35 units per crossing. Now we have gone to more than 60. I am sure it is not only related to Rosslare but the fact that Irish logistics are preparing for the reality post Brexit. We have a great relationship with the Port of Cork and, as I said earlier, we are doubling the capacity with the *MV Armorique*, as of March, when we will offer two crossings a week between Cork and Roscoff. The *MV Armorique* has a more balanced capacity between passengers and freight but there will be capacity between Cork and Roscoff as of March in addition to the historical connection to Cork. We are now moving away from Cork. We decided that it was wiser to try to build up the traffic out of Rosslare but we are doubling the capacity at Cork. We will closely watch the evolution of demand in the weeks following Brexit and everything is possible. Let me reiterate there will be two crossings a week to Cork.

**Mr. Eugene Drennan:** In response to Senator Buttimer’s question on how Brexit will impact on the people at home I have one word and it is cost. Everything is going to cost a lot more. If we score own goals, it will cost an awful lot more because the delays will lead to stockpiling.

**Senator Jerry Buttimer:** Please explain.

**Mr. Eugene Drennan:** If one misses a ferry because of a logjam at the port then one is late to the market. If we do not get off here and it cuts into the timeline of the driver then anybody outside of the immediacy of Dublin will not get delivery until the following day. The traffic plan for Dublin Port is all based at the port but there was no talk of the traffic on the quay when trucks return to the O2 Arena and we are trying to reach boats. The North Wall is straight across the road from the 3Arena and the South Bank Quay is across the other bridge but both are not within the port. None of that is in the mix. The authors of the plan did not think of all that and did not consult us when drawing up the plan. We are the biggest users, we have the biggest vehicles and we have people traversing in and out of the port but nobody thought to ask us what we thought of the plan when they came to tell us.

**Senator Jerry Buttimer:** Was there any consultation?

**Mr. Eugene Drennan:** No. I do not recall any and not in the time of Deputy Murphy who is present. Senator Buttimer is a Corkman and the poor woman looking to bake a loaf of bread on the Beara Peninsula will have to wait an extra day for the flour. Likewise, there will be delays in east Clare and around the Shannon area where there are many light engineering works and most of the steel comes through England and that network. For most people, because of the cost of things now it is a just-in-time business for most businesses. That is the way the market has gone over the years. That is the trend and we must be sophisticated and reply to the market in as streamlined and as quick as possible to stay in the market in Europe or we become a second-rate company. That is what it means to everybody. The plan seeks to erect traffic lights at the corner of the port and expects people to turn around and drive by the airport but, hopefully, can get in then to get a container. It is wrong to say to a man who leaves any part of the country outside of Dublin at 4 a.m. or 5 a.m. that he cannot come in to get his goods and get on with his day's work but go for a spin around the airport for a tour. Are they cracked?

*Deputy Kieran O'Donnell resumed the Chair.*

**Senator Jerry Buttimer:** What are Mr. Drennan's members saying to me?

**Mr. Eugene Drennan:** Our members are saying to me that I had better get the finger out and make politicians see sense to make sure they do something.

**Deputy Timmy Dooley:** The IRHA is not paying Mr. Drennan half enough.

**Mr. Eugene Drennan:** I do not get paid and my role is voluntary.

**Chairman:** Mr. Drennan will have to report back.

**Mr. Eugene Drennan:** We are considered in some sections now as being troublesome because I say it as it is and shoot from the hip.

**Senator Jerry Buttimer:** That is why I asked Mr. Drennan my questions.

**Mr. Eugene Drennan:** I do not say things to run people down and I have not done that here today but the facts are the facts. It is now too crucial and too close to the time. We are a year later than what we should be. With ten days to go, the facilities are not completely there, and IT and who goes where are still being tested so it is like the Christy Moore song.

**Senator Jerry Buttimer:** I am concerned that the advertisement campaign about being

Brexit ready has gone over the heads of people and I thank Mr. Drennan for his contribution.

**Mr. Eugene Drennan:** No, the campaign has not gone over the heads of people. Smaller industries have really engaged in recent times because the campaign revealed that Brexit is imminent and people have realised that deal or no-deal declarations are needed. I hear that people are engaging with Skillnets. In the Chairman's constituency, Mr. Joe Leddin has done wonderful work on the education side and businesses are really getting geared up on Brexit and trying to know where they are. The mirage of deal or no deal being the end all has confused people because irrespective of that, we must get on with business and declarations must be done and we also have to find a way to deal with England as simply as we can and whatever tariffs have to be paid will be paid. The market is so big at €5 billion. There are 1 million crossings each year so we must get streamlined and sophisticated about our work and keep it flowing.

**Deputy Johnny Mythen:** I thank all of the witnesses for coming and for their very interesting contributions. We all know that Brexit is not good for us and Britain. There is even talk that the GDP in Ireland will drop about 7% with added tariffs.

I understand that Dublin Port has put in a traffic management system and I have asked for the same system to be put in in Rosslare Europort. Do the witnesses think that the Dublin Port transport system will work?

**Mr. Eugene Drennan:** It will at off-peak times but at peak times it is tantamount to generate a lot of trouble.

**Deputy Johnny Mythen:** The IRHA should consult the relevant Ministers immediately and see what can be done because it represents the people who are on the roads.

**Mr. Eugene Drennan:** I assure the Deputy that I have made them aware of it.

**Deputy Johnny Mythen:** Due to my background, I am very conscious of the impact on workers and drivers if they are delayed. There have been two examples in Kent and Dover where a 25 km queue had formed. Mr. Drennan mentioned that the IT system has not been trialled. The English had a company that refused to test the system because they felt they could not do it on time and would not take responsibility for what would happen, which is a great concern.

An air hub is a fantastic idea. Ireland should do it without a doubt because Brexit has changed everything. The largest importer of our goods is gone and England is really now a third country so Brexit will cause many other issues. Sailing to Liege Port makes things simpler as the journey is shorter. I welcome all of the ferries to Rosslare Europort. It is fantastic for the people of Wexford although I wish we did not have to do this.

**Deputy Verona Murphy:** I welcome everybody. The IRHA is a voluntary organisation and no member is paid. We have two administrative staff. The president and Mr. McArdle travel around the country and have given all of their time for the past four or five years of the Brexit talks.

In 2017, the Brexit proposal put forward by the association was as follows:

The Republic of Ireland is serviced by ferries that leave the UK for Ireland and leave Ireland for the UK every 12 hours. The interval could be changed to every six hours without adding additional capacity ... In order to avoid some Irish trucks having to go through the

UK, consideration should be given to creating new ferry routes from Ireland to Holland or Belgium, or resume the previous service to Dieppe in northern France. Such additions to ferry services cannot happen overnight as there is a shortage of this type of ferry. Hence a longer lead-in time and adequate planning is required.

There has been very little engagement with the IRHA as the main stakeholders but the proposals that it made in 2017 are now what is required a month away from Brexit.

I commend Mr. Aidan Coffey and his team in DFDS who engaged with the right people. I ask him if his engagement was negative from the perspective of competition in the market, from both the Department and the Irish Maritime Development Office, IMDO.

I commend Mr. Mathieu from Brittany Ferries. Mr. McArdle and I travelled with a contingent that to Haropa, Le Havre to meet representatives of Brittany Ferries. What transpired was a route between Rosslare and Bilbao, Spain. We would have liked Rosslare to Le Havre and there is still room for that option should Brittany Ferries consider it. The visit was very interesting. All of the work done and progress made is due to the stakeholders in the IRHA.

The Department of Agriculture, Food and the Marine is expected to schedule two eight-hour shifts at Rosslare Europort as opposed to a 24-hour shift going into Dublin Port. I believe that the IRHA believes that that is an adequate service, particularly when there will be a two-hour break in the middle of the day. Mr. Drennan might comment on that.

Mr. McArdle's organisation takes an awful lot of the high-end goods that Mr. O'Callaghan mentioned, particularly costly pharmaceutical products. There has to be a viability issue with air freight. Trucks can take 26 pallets of high-value product. There is also the issue of the timeline.

**Chairman:** We will start with Mr. Coffey.

**Mr. Aidan Coffey:** The Deputy asked about the IMDO report. There were two reports. There was an initial report in 2019 which reported that 3 million tonnes of goods were being transported out and it equated to 150,000 units. Mr. Drennan from the IRHA raised the point that it was based on tonnage and not necessarily on the number of units being carried out. When one equates it to the average weight per truck unit and allowing for the empty units that are returning and going out, the number is much larger than 150,000 units.

The second report, which was released more recently, stated that there was sufficient capacity. In that instance, the four main existing ferry operators were asked to give an answer to that and I do not believe any questions were put to the industry users, such as the IRHA and the other logistics companies, on what their views were. That report put us on the back foot. Luckily enough, we had a good solid case. It put us on the back foot just as we were seeking to be approved by the board of directors of DFDS A/S in Denmark. Thankfully, it was able to see the light and we put forward a very good presentation. I would not like to be banking the Irish economy on the basis of that report.

**Deputy Verona Murphy:** Is Mr. Coffey saying that the effect of the inaccuracies contained in the IMDO report could have scuppered the DFDS engagement with Rosslare and eventual service?

**Mr. Aidan Coffey:** It most certainly put us to the pin of our collar. We had to react. Unusually for a Government report, it was announced very quickly to the media and the market and it went global, if one wishes to call it that. It certainly went Europe-wide. We had many contacts

from France, Belgium, Germany and Denmark asking about the report and what is happening, since it was stating there was sufficient capacity. It put us to the pin of our collar and we had to give some answers.

**Deputy Verona Murphy:** I thank Mr. Coffey. The report is from the Irish Maritime Development Office. It is important, Chairman, that the feedback goes to the Government and the Department of Transport that the report, in effect, was null and void. It certainly is today, six weeks later. The report says we have sufficient capacity. We have quadrupled the number.

**Chairman:** What report?

**Deputy Verona Murphy:** The report was a review of the initial report and was published in October 2020. It is an outrageous scenario. On the basis of the engagement with the stakeholders, such as the IRHA and DFDS, no commendation should be given to the Department.

**Chairman:** We will listen to the witnesses.

**Mr. David McArdle:** With regard to air freight as opposed to trucking for high-value cargo and the amount of cargo they can carry, the pharmaceutical customers and the high-value industry prefer the door-to-door approach, especially in Europe. For air freight outside of Europe, whether it is east or west, there is a trucking addition. The high-value industry prefers door-to-door and that is why it is not as much interested in that side of it for Europe. However, as Mr. O'Callaghan said, a big percentage of tonnage went to Heathrow, so that will leave some opportunity for Shannon.

**Deputy Verona Murphy:** What about the cost viability of a truck going from Ireland to Liège versus an aeroplane, the capacity of an aeroplane and having enough cargo to justify the cost of an aeroplane?

**Mr. David McArdle:** I do not know the cost of the aeroplane.

**Mr. Kieran O'Callaghan:** The Deputy is missing the point of the just-in-time system. Just-in-time cargo is an evolution of just-in-time manufacturing and the transition into Lean Six Sigma. The cargo we are discussing is not destined for Europe but is going beyond Europe to all the continents of the world. If we take a 35-hour or 36-hour average transit time against 9.5 hours or 10.5 hours, that is huge in the just-in-time cycle, the system of inventory and storage and what one keeps and does not keep on one's books-----

**Chairman:** In that context, Mr. O'Callaghan, why Liège in terms of connectivity, particularly in the cargo system? It is predominantly coming through Heathrow to date, I presume.

**Mr. Kieran O'Callaghan:** Yes.

**Chairman:** What does Liège offer for connectivity?

**Mr. Kieran O'Callaghan:** The first point is that it is the centre in the golden triangle of air transport. The golden triangle is simply that if one draws straight lines between Amsterdam, Paris and Frankfurt, it creates a triangle and Liège is centred in the middle of it. In addition, this year Liège won cargo airport of the year globally. It has more cargo operation services. It also feeds into different hubs of bodies such as DPD, GLS, FedEx and TNT Express, which are based in Liège.

**Chairman:** I will return to Deputy Verona Murphy's point. You do not see this as a cost

issue.

**Mr. Kieran O’Callaghan:** Of course, it is a cost issue.

**Chairman:** However, it is not the only issue.

**Mr. Kieran O’Callaghan:** No. Cost is not the issue. It is the just-in-time issue of what is involved. Basically, what this would mean is that our air freight cycle could fall back between 24 and 36 hours in getting goods to market on the new service. It depends on what time the departure is going to be out of Europe. We are only taking Liège as a hub because it is best at what it does.

**Deputy Verona Murphy:** However, it would require state aid.

**Mr. Kieran O’Callaghan:** Absolutely. That is in talking to the manufacturing companies. We do not want to make Ireland uncompetitive for foreign direct investment, FDI, if we have to take a 30% increase in our air freight rates to fly the goods and get them there on time. The other question is with regard to the other European countries of Poland, Hungary and the Czech Republic. With their transit time they are becoming more attractive for FDI. It goes back to protecting our FDI and where FDI came from.

**Deputy Verona Murphy:** I accept that, but I have not had it represented to me that there is a requirement-----

**Chairman:** Perhaps you will come back to us with more in-depth proposals, Mr. O’Callaghan, on this area.

**Mr. Kieran O’Callaghan:** We submitted an in-depth report earlier, but there is a concise one. We can get one for the committee.

**Deputy Verona Murphy:** Will Mr. Drennan finish the point?

**Mr. Eugene Drennan:** Of course, there will be a cost. It is weight. Anything that goes by air tends to be the lighter product in the first place. Air would not really attract anything that would be depending on heavy engineering and so forth. Then there is having enough manufacturing in Ireland to be able to support such a service. It has been tried previously, or parts of it have been tried previously, and that proved to be a difficulty. It would definitely be great for Shannon, the mid-west and Ireland if it could be brought forward.

The Deputy asked about Rosslare, on time and the Department of Agriculture, Food and the Marine. Deputy Mythen referred to it as well, and the traffic line. The fact that the agricultural inspectorate in Rosslare Europort intends to close from 12 noon to 2 p.m. at the height of Brexit is crazy. It should not be allowed happen in a port that is hoping to be a tier 1 port in Europe. It cannot be allowed to happen. Perhaps to sustain 24 hours at the start might be a little high to request, but there definitely should be 16 hours’ cover of the agencies in Rosslare to keep it going. In addition, Rosslare may not cause as much trouble as Dublin due to its nature and the road network around it. The parking area for some of the agencies is limited. They intend there being a quota status from the port up to whatever agency you have to call to, but if they do not take the trucks in quickly, as we are on split break, we have to go on break. Then we have to stay in the port and we will block up Rosslare port. These are the issues the State agencies have to take account of.

Likewise, Customs, if its officials have anything like a seal check and a slight paperwork

check to conduct, should do them quickly, not as if they will “get around to you when they are ready”. If one is on the lesser of the checks, these should be done quickly. They should keep them moving.

There was also a reference to the information technology. I referenced it previously. They have put in a lot of investment and upgraded the IT here but the systems are not talking to the systems in the other countries. Whatever is needed to be done, whether they need a separate system running beside it, a way of uploading it or agreement from us that they can upload it by clicking a box and ticking a form, it should be done.

**Deputy Verona Murphy:** I recommend that the committee informs the Department of Transport that there needs to be at least a 20-hour service provided. The trade control and expert system, TRACES, is a new system. It is new to everybody. It is outrageous to take a two-hour break in the middle of a working day. I wrote to the Minister on behalf of the sectors but I want the committee to recommend it.

**Chairman:** The Deputy might provide us with her correspondence and we will follow up in that regard.

**Deputy Verona Murphy:** No problem.

I am slightly concerned that the shipping companies, Stena Line and Irish Ferries, have not turned up here today. It was alluded to in the Joint Committee on European Union Affairs this morning that there is an allowance for support and collaboration of these companies to come together in a way that otherwise would be anti-competitive. There is a regulation but it seems that it should be overseen by the competition authority as to the level of that collaboration so that the gentlemen and the companies that are here today are not disadvantaged, and, ultimately, the stakeholders who use the service are at no disadvantage, and that there should be no collusion outside on what was proposed in relation to sailing schedules.

**Chairman:** We will follow up on that with the Department. Stena Line has said it will come in in the new year. Irish Ferries did not give that commitment but I expect that it will.

**Deputy Verona Murphy:** Regardless, rather than get out of hand like the insurance provisions have, the Competition and Consumer Protection Authority should be notified of the regulation. It is evident in the media that there has been collaborative engagement from independent commercial entities.

**Chairman:** Has the Deputy written to the Department already on this?

**Deputy Verona Murphy:** I have not. The remit says it is allowed for but I want it still overseen that they stay within what is allowable.

**Chairman:** If there is a general aspect to legislation around that area, we as a committee certainly can write to the Department pointing out that fact without in any way passing comment on whether anything is happening in that regard.

**Deputy Verona Murphy:** That is all that is required.

**Chairman:** The ferry companies are not here today. On the general trend of what is in the legislation, what the Deputy proposes is perfectly acceptable.

We are just over two weeks away from 1 January. We are 15 days away, to be precise. We

are in countdown. First, with the Irish Road Haulage Association, I want to get down to nitty-gritty. They might name the ports that they use. Am I correct in saying these are Dublin, Cork, Rosslare?

**Mr. Eugene Drennan:** Those are the main ports for roll-on/roll-off, RORO, services.

**Chairman:** What percentage would be going out of Dublin, out of Cork and out of Rosslare?

**Mr. Eugene Drennan:** I would be open to be challenged on this. Cork is a specific shipping destination. On the 1 million crossings between the two countries, or 500,000 each way a year, I would feel that perhaps 60% or maybe 65% of it goes out of Dublin, 30% out of Rosslare and maybe 5% from the other ports.

**Chairman:** Cork, Dublin and Rosslare could make up to 90% of the shipping.

**Mr. Eugene Drennan:** Absolutely, yes. They are the natural ones.

**Chairman:** What I want to know is that, come 1 January, with what is in place now, if I was to drive into Dublin Port or down to Rosslare Port, what would I see? In that context, I know from speaking to members of the Irish Road Haulage Association that there is no online booking system at Dublin whereas one exists in Cork, and it works well. They might give us their view. Will it be chaos? Will it work? Will supermarkets have goods on the shelves? Will exporters up and down the country be able to get their goods to market in the UK and on to mainland Europe? Will both Mr. Drennan and Mr. McArdle give us an insight into what they believe will happen, based on what is happening at present? I want to drill down into this.

**Mr. Eugene Drennan:** For the most part Rosslare should work reasonably well. The geography of it is good. It is reasonably well set up, although there will be the new processes to be adhered to and gone through.

In Dublin, as regards the food on the shelf, of course, there will be. I see no reason there should not be unless we really mess it up very badly. I would not like to send out any worries or fears of anything like that happening.

As regards Dublin Port, the Chairman himself can picture it. He can make up his own mind. I will outline the scenario. What the Chairman said there about pre-booking is the system they have in Cork for picking up containers where you can pre-book your time slot within two hours and they keep the flow going. It is not available in Dublin. Also, the higher volumes in Dublin absolutely need the container depots to be open for a longer time so that the trucks can come through in the evening time and free it up.

As regards the scenario in perhaps the third or fourth week of January or maybe early February, one is talking about 600 trucks coming off these ferries at the one time, arriving into the system here at 6 a.m.

**Chairman:** That is at 5.30 a.m.

**Mr. Eugene Drennan:** At 5.30 a.m. to 6.15 a.m.

**Chairman:** From Stena and Irish Ferries.

**Mr. Eugene Drennan:** There are also two out of Liverpool, P&O and Seatruck. They have

not been mentioned here but they also come in at the same time as the Holyhead ferries come in. Maybe there could be a little staggering there. The four come in within three quarters of an hour. They are pouring out 600 trucks at one end at the same as the trucks to reload are entering at the other end, plus the container lines which are to the right of the ferries. The containers will have a separate entry now but at the same time, the movement is circular. If any of those containers is called to customs checks, they are all within the main ports. The customs checks are on the right, as you come up from the port. You have to cross the road for the most part. You have to come up to the roundabout above it and join the inward flow. Then when they are done, they join the outward flow. Once you start that circular movement, as any committee member will know from any town or village that puts in a one-way system, although it may free up the flow of traffic, it also builds up a backlog of traffic. The easiest way to release anything is straightforward. If it jams up, the plan should be to release the outer traffic. You have to release that.

**Chairman:** In layman's terms, as it stands, come 1 January, are there elements that need to be put in place that, if not put in place, will result in utter chaos on 1 January?

**Mr. Eugene Drennan:** Yes. As I said, the agencies of the State, if they have minor checks, should make them quickly and let them go. I cannot see it being that free in January because of what is envisaged and what they intend to do. You have four or six lanes coming off the ferry reduced down to two lanes and you have that logjam back into the ferries. It is shooting out then in the two lanes coming up.

**Chairman:** What has been the Irish Road Haulage Association engagement with Dublin port?

**Mr. Eugene Drennan:** They have come on some of the Zoom meetings with us with virtually nothing. I note the chief executive, after being in to see this committee, has called for what we are calling for now but it is a little late in the day. I would think he has the powers, if anybody has. It is either in the Oireachtas or else it is him.

**Chairman:** What would be the biggest single change that would ensure that hauliers had smooth transition post 1 January?

**Mr. Eugene Drennan:** It would be that the State agencies would work efficiently and the boats would be staggered.

**Chairman:** What are Mr. McArdle's comments?

**Mr. David McArdle:** They would be similar to Mr. Drennan's. The container depots need to be open later at night because that would alleviate the morning times. When a truck comes in in the evening time, the driver can wait for a container. He is not joining the queue at 6 a.m. the next morning. He is not getting involved in the ferries being discharged.

As Mr. Drennan said, one is going round in a circle all the time. When it locks up, the port tunnel closes down and the M50 backs up. There are trucks that are in at the front of the queue but to relieve the situation, they have to go back out.

**Chairman:** Is that within the powers of Dublin Port?

**Mr. David McArdle:** In which way?

**Chairman:** In terms of extra capacity of the depots, to which Mr. McArdle referred.

**Mr. David McArdle:** Yes, it is. The containment depots are within Dublin Port.

**Chairman:** Have the authorities agreed to open them longer for the hauliers?

**Mr. David McArdle:** No, that has not happened yet.

**Chairman:** Maybe that is something we can do as a committee.

**Mr. Eugene Drennan:** There was one other point I wanted to make. They have also closed one of the roads in Sandymount, which would be for lighter vehicles coming in. As the outer lane is now a cycle lane, that exit is gone and could not release the pressure in the last two months. The people over there are very annoyed.

**Chairman:** Has the IRHA had involvement with traffic management in terms of the plan for Dublin Port?

**Mr. David McArdle:** No.

**Chairman:** Ultimately, that will come down to Dublin Port and probably Dublin City Council. Once again, we will make those requests.

I want to go to Mr. Coffey and Mr. Mathieu. As it stands, we very much welcome the service their companies provide and very much welcome the fact DFDS has a new service to Dunkirk. I will go first to Mr. Coffey. Is there anything else that needs to be done that is not being done and that would facilitate DFDS putting such a new route in place from the start of January? I mean something that is not happening at either State or port level.

**Mr. Aidan Coffey:** In terms of the opening hours of the ports, Rosslare Europort and the port of Dunkirk will both be operable 24 hours, seven days a week, so I do not see any reason the other ports would not be able to do it. One of the reasons we selected Rosslare Europort and Dunkirk was for their accessibility, not just for the road networks going into them, but also for the access at all times.

In terms of whether anything can be done, there is considerable cost in setting up a new route, not just this route, and I am sure Mr. Mathieu will agree that applies in regard to setting up any route. There is considerable cost to setting up these routes and, of course, there could be some level of assistance or subsistence. This is not necessarily on the actual routes themselves but one of the situations we have in Dunkirk is where there are clandestines and illegal immigrants, we have to put in place significant infrastructure to ensure that no illegal migrants come on board the vessels or into the trailers belonging to the hauliers that are going to use our service. The Department of Foreign Affairs or the Department of the Taoiseach might be able to offer some level of assistance to try to help new routes that are developing.

I know there are various different funds, such as the Brexit fund and other funds, but none of these funds will assist anything in transport. We had approached Enterprise Ireland, the IDA and many different Departments, and there is the Brexit fund. At this point, I do not think the Brexit fund has been fully utilised or fully used up, primarily because it is for existing stakeholders, which do not have to prove they need assistance, and those funds are just sitting idle in the banks, because the banks control them and they are not actually releasing the funds to the companies and people that need them. Yes, we approached the Brexit fund on several occasions and we were point-blank told there was no assistance whatsoever, and that included the various other Departments. We have progressed this project throughout the whole process, from the

outset, based on our own private funds, with no assistance from any Government Department.

**Mr. Christophe Mathieu:** There is not much I can add to what Mr. Coffey said. I would agree on every point. We did not find any support from Brexit funds or anything like that, so I would not add much to that.

Listening to all of the conversation, I was wondering to what extent the Republic of Ireland would consider securing the first few weeks of Brexit - I am referring to the continental routes, of course - by maybe putting in place a priority for some goods versus others. I was also wondering to what extent it would be wise, from the Republic of Ireland point of view, to be clear to identify which hauliers carry which type of goods, because I presume it is much more of an issue if medicines or first-necessity goods were to be late versus some other types of goods. That is just an aside on the question, but I was just wondering whether the Republic of Ireland could work with hauliers like Brittany Ferries, DFDS and Stena, and Irish Ferries for that matter, to identify a priority list. That would be one way to mitigate the risk of shortage in the first few weeks. I know I am addressing a different issue.

**Chairman:** Nonetheless, it is important. On a question to Mr. Drennan, has this issue come up in regard to the hauliers? Obviously, they are there to deliver. Has there been any engagement around that area? The general view is there are already more than adequate goods in stores in Ireland. Can Mr. Drennan give an overview?

**Mr. Eugene Drennan:** It is much more the issue of capacity, not individual goods. If we go down the line of individual goods, we are talking about a serious selection of goods. I have called for, and I still call for, all of the ferries to get some sort of public service obligation, PSO, help. People are slow to go there, and they are slow to go to Europe because of the rules of Europe on supporting industry and the level playing field in Europe, in that we may have some competitive advantage. I find that to be nonsense in these circumstances. The country that is disenfranchised in the competitive area is Ireland because it is now the island off the island. It does not have to be a willy-nilly or open-ended fund to give money to the ferry companies but to set up a sort of a service line, whether it is for air freight or for the ferry companies, and to get that bedded in, and get that into-----

**Chairman:** In that context, there is a Brexit adjustment fund coming on stream, which is a €5 billion fund. We can take it up as a committee and it would feed into this issue. Any PSO would probably have conditionality around security of supply. Perhaps it is something we can take up.

**Mr. Eugene Drennan:** To finish my point, capacity is the issue with regard to selection and whether we should choose particular goods. DFDS and Brittany Ferries will come online and the new Stena freighter will help, but we will still perhaps need a little more. There is a big fear among hauliers, who are going with all sorts of fresh produce, such as meat, chicken and other poultry, that they will not get a booking. Mr. McArdle will agree with me.

**Chairman:** Is that a booking direct to Europe or through the land bridge?

**Mr. Eugene Drennan:** To Europe.

**Chairman:** Do the witnesses believe that, at this moment in time, there is sufficient capacity on the European routes?

**Mr. David McArdle:** At the moment, no. Until DFDS comes online in January, there is not

enough capacity.

**Chairman:** DFDS is coming online, as Mr. Coffey has confirmed here today, on 3 or 4 January.

**Mr. David McArdle:** It is on 2 January.

**Mr. Aidan Coffey:** We are launching the service on 2 January. There will be two services out of Ireland on Saturday, 2 January, and one out of Dunkirk, again, on the evening of 2 January.

In terms of capacity, we can echo what Mr. Drennan and Mr. McArdle have said. Capacity-wise, we are finding a lot of pre-bookings, and with the services schedule that we have identified at the moment, the capacity will be outstripped, possibly quite early. To that end-----

**Chairman:** To put that in context, does Mr. Coffey expect that when DFDS starts the route to Dunkirk from Rosslare on 2 January, the ferry will be full?

**Mr. Aidan Coffey:** We are quite confident that all the ferries will be full, not just eastbound but also westbound. The number of bookings at the moment are significant.

**Chairman:** Could DFDS put on additional ferry capacity on that basis?

**Mr. Aidan Coffey:** We will have to monitor that because, of course, it is very hard to see the full post-Brexit reaction. It would help if we knew what the UK and Europe were going to decide to do. As Mr. Drennan said, there is a lot of overstocking, in that many companies are bringing in a lot of loads at the moment. We need to be cautious that we do not get a false number. Pre-bookings might look good at the moment but we are going to have to monitor it to see what happens. We are going to monitor it over the first couple of weeks of January and we will see from there. If need be, we can step up the frequency with the three ships we have.

**Chairman:** On that issue, I have a question for Mr. McArdle. If DFDS brings this service on stream, will there be adequate capacity for transport to Europe?

**Mr. David McArdle:** It would be a big improvement but there would probably still be capacity issues at a certain stage.

**Chairman:** As a committee, we will write to the Department with regard to the Brexit adjustment fund and the area of the public services obligation, PSO. I will conclude with a question for Mr. O'Callaghan. I am very excited that this service is to operate out of Shannon. How quickly could it be up and running? What logistics are involved and where do costs arise? For models to work, they must be simple. In my experience, once the model is relatively straightforward, it becomes-----

**Mr. Kieran O'Callaghan:** If we are talking about Shannon Airport, there is infrastructure in place to handle two 747 freighters per day. We also have to look at the import model for goods coming back in. Our import model is normally 24 to 36 hours behind our exports. Everybody all over the world is exporting on a Friday and Saturday. They might not cross. Looking at the enthusiasm of Ms Mary Considine and her team in Shannon Airport, I believe this could be up and running by 1 January, if needed. The aircraft could potentially be sourced. From my perspective, having talked to some airlines, a company going out may or may not look at this option. If a company is going out with the permission of the Department, payments to operators are practically guaranteed by Government. It is huge.

**Chairman:** Has Cargo Logistics made any formal submission to the Department as of yet?

**Mr. Kieran O’Callaghan:** We have only submitted the document I gave out here today. It also got the original document.

**Chairman:** Cargo Logistics has made a formal submission. Has it got any correspondence back from the Department on it?

**Mr. Kieran O’Callaghan:** No, we have not.

**Chairman:** We might follow up with the Department on that basis to see where it is at.

**Mr. Kieran O’Callaghan:** I wrote to Mr. Fintan Towey by email and copied Mr. Liam Keogh. I advised them that I was coming here today.

**Chairman:** Is the structure envisaged a joint venture with Shannon Airport?

**Mr. Kieran O’Callaghan:** I would love to proceed in that way. Deputy Cathal Crowe mentioned something a while ago about the Government of Luxembourg taking a 56.6% stake. If a joint venture could be established through something controlled by the Government, we know how to drive it.

**Chairman:** We will follow up on the status of Cargo Logistics’ application and will then communicate with Mr. O’Callaghan. We have to conclude by 1.32 p.m. Deputies O’Rourke and Verona Murphy have about five minutes each.

**Deputy Darren O’Rourke:** I thank the witnesses and apologise for missing the start. I was at a meeting of another committee at which a number of votes were to be held today, so Deputy Mythen substituted for me for part of this meeting. We have raised a number of these issues with the Minister, for example, the demand for additional ferry crossings. The Minister has told us either that there is no demand or that it is up to the hauliers to contact the ferry companies to outline their needs. What we are hearing with regard to the Irish Maritime Development Office, IMDO, report is significant. There were criticisms of it and we have heard confirmation from Mr. Coffey. We had representatives of the ports before the committee and they had a list of things they wanted to see happen. The first thing they wanted was staggered arrival times. They said this could not be secured because they had been told the hauliers wanted it that way. It seems we are hearing about the same problems from different groups but they are not being resolved. It is almost as if those conversations are happening with us or with Government rather than between the parties involved.

What do the witnesses believe is the proper forum in which to thrash out these issues? Who are the responsible authorities? Mr. Drennan mentioned State agencies. What are the agencies who need to hear this message loud and clear? What needs to happen between now and the end of the year or the early part of the new year to straighten this stuff out? I would appreciate the witnesses’ opinions on those matters.

I have a couple of other specific issues I wish to raise. People may have an idea what will happen early in the new year. With specific regard to a Covid-19 vaccine, are there threats to logistics as regards cold transit? Are there threats to the logistics in that regard? There is also the issue of just-in-time delivery for fresh goods. I have a family connection with regard to livestock. With regard to livestock haulage, we see queues of 15 km or 20 km in other places. What are the considerations or risks in that regard from the witnesses’ perspective? My princi-

pal questions, however, are those I asked earlier. What needs to happen? What does Government need to hear from the representative groups here today and who else needs to hear from them? What needs to happen in the coming weeks?

**Mr. Eugene Drennan:** We are here to clarify the Deputy's questions and to clear the air on some of these issues. As regards the Minister and the IMDO report, that report certainly clouded the waters. It was not great and could not stand up. If there were not capacity issues, these big firms would not have come in. DFDS had to declare its intentions to the stock exchange in Denmark before it came here, which gave the move great clout. DFDS was willing to do that, which answers that question very clearly. I believe the report clouded the Minister's thinking. I heard the Minister for Foreign Affairs talking about capacity. Everybody started talking about capacity, which distracted from the issues I have spoken about such as timelines and service lines. That takes care of that question.

As to who has to take this forward and try to get the companies to do what we are requesting, I am not knowledgeable about the legalities facing Dublin Port as a State or semi-State agency but it is owned by the State. We are talking about private companies whose vessels are not even flagged in this country. With regard to trade between Ireland and England, the two ferry companies who should have been here to answer questions today have a captive audience of 1 million crossings of freight alone, without mentioning tourism and cars. They have a very good business in coming to and going from Ireland. Surely they should act out of common decency and should not have to be beaten into making a small adjustment.

**Chairman:** How much longer will a typical load crossing the land bridge take as a result of checks?

**Mr. Eugene Drennan:** There is a massive issue with regard to the land bridge. One need only look at the problems in Kent to see that. Hauliers will definitely lose between a half a day and a full day.

**Chairman:** Did Mr. Drennan want to answer any of the other questions?

**Mr. Eugene Drennan:** On the question of the vaccines, there is capacity in Ireland to take in the vaccines. The equipment is there. There are companies that meet all the regulatory requirements and have all of the necessary equipment. As regards medicines, perhaps if an issue arises in that respect, which I do not foresee happening, the shipment could be identified as medicine. In that case all bodies involved, including the shipping companies, would have to perk up. As the gentleman from Brittany Ferries said, such shipments may have to be identified and prioritised. As of now, however, it is hoped that this will not be needed.

**Deputy Darren O'Rourke:** Will Mr. Drennan comment on the livestock issue?

**Mr. Eugene Drennan:** I beg the Deputy's pardon. On the livestock issue, there will of course be more regulation and more declarations to be made. That is why Rosslare Europort should be open. It is one of the chosen ports for export. When livestock is involved it is not good enough for officials to come out to see one after a two-hour break or whenever they are ready. These exports are vital to our country and there are requirements with regard to timelines for movement, resting the animals and getting to the lairages. The time animals spend in lairages is a set part of the timelines involved in the truck's journey through different countries and must be adhered to very closely.

**Deputy Verona Murphy:** As politicians, we should all be very concerned about the cost

of this for the consumer. If there is no Brexit fund or PSO, the cost of moving from the land bridge to a direct service will be very great. Nobody had discussed that yet but is Mr. Drennan concerned that, if Government does not put such measures in place, there will be a slight decrease in the amount of products being carried in and out of the country as a result of the costs? Will we lose market share?

**Mr. Eugene Drennan:** Cost always comes into it. It will get there later on, if not immediately. I am concerned. We should be attracting at least one more service here. Sicily-----

**Chairman:** How much does Mr. Drennan believe this change will add to the cost of a load, expressed as a percentage?

**Deputy Verona Murphy:** Will the cost be prohibitive?

**Mr. Eugene Drennan:** I believe it will add at least a third and, perhaps, closer to 50%.

**Deputy Verona Murphy:** Are we in danger of losing market share and becoming less competitive?

**Mr. Eugene Drennan:** Of course. If one is not on the Continent and able to supply what one has said one will supply and in a timely manner, one's buyers will not care about Brexit and our little island.

**Deputy Verona Murphy:** Ultimately, Ireland Inc. is where we need to be at.

**Mr. Eugene Drennan:** Absolutely. I would like the committee to take cognisance of the fact that Sicily, a small island a short distance from the toe of Italy, has seven ferry lines going to and from the mainland.

**Chairman:** We are short on time and have to be out of the room in a moment. We will write to the Department about the Brexit fund, the PSO and capacity. I thank the two ferry companies and wish DFDS all the best with its new route to Dunkirk. I also thank Mr. Mathieu from Brittany Ferries, Mr. Drennan and Mr. McArdle from the IRHA, and Mr. O'Callaghan, Mr. Regan and their colleagues from Cargo Logistics. We will invite in representatives of the other ferry companies early in the new year. The invitations have been sent. We need to see how this is working in practice.

The next meeting of the joint committee will be a private virtual meeting at 4 p.m. on Tuesday, 12 January 2021. The next public meeting will be at 11.30 a.m. on Wednesday, 13 January 2021, in committee room 4.

The joint committee adjourned at 1.31 p.m. until 4 p.m. on Tuesday, 12 January 2021.