

DÁIL ÉIREANN

ROGHCHOISTE SPEISIALTA AN TSEANAID UM AN RÍOCHT AONTAITHE DO THARRAINGT SIAR AS AN AONTACH EORPACH

SEANAD SPECIAL COMMITTEE ON THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION

Dé Céadaoin, 7 Meitheamh 2017

Wednesday, 7 June 2017

Tháinig an Roghchoiste le chéile ag 10 a.m.

The Select Committee met at 10 a.m.

Comhaltaí a bhí i láthair /Members present:

Seanadóirí /Senators	
Frances Black,	Gerry Horkan,
Maria Byrne,*	Michelle Mulherin,
Paul Daly,	Gerald Nash.
Gerry Horkan,*	
Michelle Mulherin,	
Gerald Nash.	

* In éagmais / In the absence of Senators Mark Daly and Neale Richmond.

I láthair/In attendance: Senator Paul Coghlan.

Seanadóir/Senator Gerard P. Craughwell sa Chathaoir/in the Chair

Engagement on the Future of the European Union

Acting Chairman (Senator Gerard P. Craughwell): Session A today is an engagement on the future of Europe with Mr. Pat Cox. At our last meeting a number of witnesses focused on the impact the UK's withdrawal may have on the future of the European Union. Today, we will continue on that theme and we are delighted that Mr. Pat Cox has joined us. Mr. Cox does not really need an introduction to this group. As a former president of the European Parliament, his experience and understanding of European institutions will, no doubt, give him an invaluable insight into the potential ramifications and changes. On behalf of the committee, I welcome Mr. Cox to this meeting and thank him for his willingness to share his experience and analysis with us.

Before we begin, I must refer to the issue of privilege. 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. By virtue of section 17(2)(l) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to this committee. However, if they are directed by the committee to cease giving evidence on a particular matter and they continue to so do, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and are asked to respect the parliamentary practice to the effect that, where possible, they should not criticise nor make charges against any person, persons or entity by name or in such a way as to make him, her or it identifiable.

I now invite Mr. Cox to make his opening statement, after which we will have a question and answer session.

Mr. Pat Cox: It is good to be here and I thank the members for their invitation to join them. Armed as I am with the information that I am covered by the Defamation Act, I will give it a right lash. I want to make a presentation in two parts. As I was asked to talk about Brexit and the EU's future, I will focus on Brexit first and then switch to the future of the EU.

With the United Kingdom leaving, the EU will be losing a populous state of 65 million people, which represents 12% of the population and 16% of the GDP of the EU. It will also be losing a member state which is a member of NATO and a permanent member of the UN Security Council. It is deeply regrettable that this is happening, even if it is now to be respected as inevitable. The process of disengagement will happen under Article 50 and the negotiations are due to start in the next two weeks, assuming there is a clear outcome to the British general election. The negotiating positions of the European Union are openly available on the European Commission's website, issue by issue. Two working documents of Mr. Barnier's team are available for public scrutiny on the essential principles and citizens' rights. The EU negotiating position is clear on the essential principles, financial settlement and the exit bill. There is no money amount for the latter but the principled details are there. There is no equivalent at the moment in the United Kingdom. We have a White Paper and the Lancaster House speech of Mrs. May, but we also have more obscure comments like "Brexit means Brexit" and "No deal is better than a bad deal". There is no actual negotiating position of a parallel sort and that is awaited.

The negotiation process needs to be completed within two years from the date on which Article 50 was triggered, that is, by 23 March 2019. It will require a vote of assent in the European

Parliament and that means that the negotiations will need to finish months in advance because the European Parliament's mandate expires in 2019, when it will close down and elections will be held for a new parliament. Beyond that, it is highly likely that there will be a transition period which may be one of the explanatory factors for the timing of the upcoming UK general election. That period will probably happen during the lifetime of the next government in the UK but it would have happened at the very beginning of an election campaign had the current government run its course.

How will the European Union trade with the United Kingdom in the future? Without going into details, it will do this under a separate article of the European Treaty, Article 218. That article requires the approval of any deal by the European Parliament and depending on its contents, particularly if it impinges on the competence of member states, it could also require a vote in national parliaments. That very much depends on the detail that emerges. In that context, the United Kingdom has to have left the EU for a deal to be done. Article 218 covers the making of trade deals with third countries; therefore, the UK must be a third country before any deal can be struck. What can help that to be quicker than some trade deals is that while the United Kingdom's great repeal Act, as it is called, will repeal the European Communities Act 1972, the bridge over which EU law was transposed into British law, none of the EU law will be repealed. In fact, it is more akin to a great retention Act, until the British get around to changing their minds on some matters. That means that Britain and Europe will start on the same regulatory page when Britain starts as a third country, if it does not change any of the rules. That should allow for a quicker conclusion of any trade deal but it could still be, with national ratifications, quite a slow process in the end.

Regarding the EU more generally, the shock of Brexit and of the election of President Trump in the United States, neither of which was generally anticipated, are likely to have the effect of energising rather than paralysing the European Union in terms of setting about refining and defining its own future. There was a fear that a populist wave which was in some way Anglo-Saxon, to use that European phrase, might sweep over the Continent. There were lots of players echoing the US presidential campaign and the British Brexit campaign. On 15 March, we had the Dutch elections in which Mr. Geert Wilders who attracted enormous global attention and, like Mr. Trump, is blonde and was boisterous in his campaign did not succeed in creating momentum to be a player in government, although he secured some additional seats.

We also had the French election which presented France and the European Union with a stark choice and the French made a clear choice in President Macron. Based on the opinion polls in France, it is highly likely that La République En Marche, the centrist political movement of President Macron, will win a majority of seats in the Assemblée Nationale. This represents a considerable potential change in France and also for Europe because part of President Macron's campaign was a pro-European agenda and he will want to see some of that through. Elections to the German Bundestag are due in September and whichever Chancellor candidate wins, whether Chancellor Merkel who looks more probable or Chancellor candidate Schulz, that he or she will maintain Germany's European vocation is not in doubt. Alternative für Deutschland, the party that has picked up the more populist tendency in German politics, may get to the Bundestag but it will not be decisive. Italy is due to hold an election not later than in spring 2018, although it is most likely to be held in autumn 2017. The return of Matteo Renzi as leader of the Partito Democratico has given the party a lift in the polls but one of the major parties in Italy, the Movimento 5 Stelle or Five Star Movement of Beppe Grillo, is neck and neck in the polls with the Partito Democratico. While it is most unlikely Mr. Grillo will form a government, there may be a difficulty in finding an appropriate coalition after an election. All

of these issues play into the future of Europe and cannot be ignored. There is, however, a real drive.

As the committee is dealing with Brexit, it should pay attention to a number of other issues, which could, I guess, be work for a future committee. In March 2017, the European Commission published a White Paper on strategies for the future of the European Union. The White Paper sets out a number of scenarios and while I do not propose to discuss them in detail, I will provide some headlines, as it were, to give members a telegraphic flavour of the options. One scenario is to carry on, in other words, it would be business as usual. A second is to have nothing but the Single Market, in other words, we would do the Single Market and forget the rest. A third scenario is where those member states that want to do more do so. Another is to do less but to do so more effectively. The final scenario is to do much more together. As members can see, these scenarios extend from fairly low levels of ambition or “low energy options”, as a certain president might describe them, to very high energy options. They are not prescriptive and national parliaments, parliamentarians and members of the public are invited to have a view on them.

The second element is that the Commission has accompanied these scenarios with a series of reflection papers. It has published papers on the social dimension of Europe, deepening economic and monetary union and harnessing globalisation. Today, it will publish a paper on security and defence. These are additional reflections to accompany the White Paper.

The EU 27 states, absent Britain, made a declaration in Rome on the 60th anniversary of the Treaty of Rome in which the Heads of State and Government committed to face the unprecedented global and domestic challenges. “Together”, they said, the EU 27 were “determined to address the challenges of a rapidly changing world and to offer to our citizens both security and new opportunities”. There is more detail in the declaration. I mention these matters because they provide important background on the future of the European Union.

Two further reports could be consulted by the secretariat and perhaps distributed. These have not been adopted but are draft reports of the European Parliament which explore two different avenues. They have been drawn up by the Parliament’s Committee on Constitutional Affairs. The first, which is jointly authored by Mrs. Mercedes Bresso and Mr. Elmar Brok, basically asks how we build on the Treaty of Lisbon to build the future of the European Union. A second report of the same committee, which was authored by Mr. Guy Verhofstadt, looks at changing the institutional set-up in the European Union and adopts a “doing much more together” kind of tone. Members would get a sense from the reports of that substance.

In respect to how we choose a point of departure, it seems there is still considerable under-developed capacity in the Lisbon treaty. It would be worth considering how to take some steps together within the existing treaty framework, although some specific steps could be required beyond that. These steps should be particular, focused and concrete, rather than a general, sweeping arrangement.

A second question is whether we want more Europe. In this respect, the word “we” means whatever inclusive way we wish to phrase it. If we are to distil the question, what we need is a more effective European Union. We need to look at what it delivers or fails to deliver and have a very pragmatic focus. We should look as much or more at instruments of policy and capacity to act as at institutions. Form - what one should do, how one should regulate and how one should give democratic accountability - should follow function. We must decide what we want this entity to do and then develop around it the appropriate responses.

The absence of the United Kingdom means that a country that spoke up for competitiveness, globalisation, innovation, and openness in trade will leave the EU. As Ireland also believes in many of these things, we need to find those voices and our own voice on those issues to do with our own interest and build alliances on that front. It is clearly important that we know what the larger states want to do. One of the major questions to which we do not yet know the answer is what the attitude of the larger states will be as the European Union shapes a new future, sets priorities and decides on instruments, capacities and budgets. The larger states will have to carry the larger burden, for example, in terms of payments into budgets and so on, not least after the departure of the United Kingdom in the medium term. In that context, we frequently observed in the past that larger states can wish to see Europe's future in their own likeness. We need to encourage larger states, in our dialogue as a smaller state, to release to the European Union powers to act effectively for Europeans where it is appropriate and necessary to do so and not to hold the European Union back in an intergovernmental logic where, frankly, the larger countries will always count for much more than they would in a community-based logic where the wider community interest comes into play.

Overall, the European Union faces many challenges. The economic and financial crisis and migration crisis have indicated that many of the existing structures and capacities are far from perfect. However, we can do more to perfect the Union. That should be a pragmatic focus that Ireland could bring to the issue. We know from European history that mutual problems do not yield to mutual suspicion. We know also that mutual problems cannot be answered by demutualised and separate solutions.

The cost of doing some things more effectively will be real and we will have to look at that. The cost of not doing them could be fatal and damaging. Brexit is merely a hint of the cost of disintegration should we fail to succeed. I thank members for their attention.

Senator Paul Daly: I welcome Mr. Cox and thank him for his insight. His experience both here and in the European Union is invaluable. With that in mind, I will tease out a few of the points he made and ask him to comment or elaborate on them. We are all conscious that we are surmising or speculating to some extent because Brexit is new territory. Mr. Cox stated the European Union had seized this opportunity to define and redefine. Where does he see Ireland in that process in the sense that we are in a place we have never been before, economically, socially and culturally. We are strongly aligned with the United Kingdom through our geographical location and long history. Can Mr. Cox see Ireland getting caught in a quagmire of trying to get the best deal from an Ireland-UK perspective? If Brexit triggers change in the whole European model, could we be caught in the turmoil without knowing the best direction to take? We may have an idea of where we would like to see Europe going but would we be better edging in a different direction at this point, in order to maintain markets or the relationship with the UK? Based on what Mr. Cox has just said, we could find ourselves at cross-purposes. How can we negotiate the best deal for Ireland in that scenario?

Mr. Cox also mentioned that whatever deal emerges will have to be ratified by the European Parliament. From his experience there, how much of an influence will that have on what will be put before the Parliament? Theresa May has stated no deal is better than a bad deal from the UK's point of view. She is probably trying to portray herself as a lady of steel who will terminate negotiations whenever she thinks they are going badly. What are the chances of getting to an end deal with the European Parliament taking that line and not passing it? Could it be from the European side that we might end up with no deal?

Mr. Cox spoke about redefining the European Union and revisiting the Lisbon treaty to

make some possible alterations to it. Because of our Constitution, does he see any possibility of an Irish referendum coming up? Could we become the final stumbling block? It was mentioned here that we could end up in the situation of being duty bound because of our commitments. We could end up in referendum territory, which would draw out the process or even stall it. That would be no advantage to us. The longer we have uncertainty, the worse it is for us. Since 23 June last, the day of the UK referendum, we have suffered because of currency fluctuations and so on. People are talking about Brexit coming down the line but it has started here for many sectors. No matter what kind of deal it is, the sooner it comes the better. Then we will know the ground rules and will be able to move on. Could we end up in a referendum situation, in the opinion of Mr. Cox?

Senator Gerry Horkan: I thank Mr. Cox. His depth of experience as an MEP and as President of the European Parliament is very valuable to us. He has covered an enormous amount of ground in his opening statement. He covered almost the whole of Europe and made various references to Italy, Holland, France and so on.

I am the Vice Chairman of the finance committee, which has separately been dealing with Brexit matters, particularly in respect of customs and borders; and opportunities for and threats to the financial sector in terms of London's huge contribution to the overall capital markets of Europe. A lot of people do not really appreciate just how enormous London is as a percentage of the total EU financial markets. It is in excess of 80% of the capital markets activity in Europe. It is much bigger than Frankfurt, Paris, Dublin or anywhere else. Although there are some opportunities, the threats are much greater. What are Mr. Cox's thoughts on that matter?

The land Border between the Republic and the North of Ireland is unique. There seems to be almost no other example across Europe of this kind of situation. Either the territory is not there or deals are done. Norway, for example, is not in the EU but has free movement of people and is part of the Single Market. There is no desire for a hard border. Can Mr. Cox see a situation in which the EU is happy to have no border between an EU state and a non-EU state? It has acknowledged that it wants to work with Ireland. Both Ireland and the UK have said they do not want a hard Border. To be fair, Mr. Michel Barnier has acknowledged that. Eastern European member states, however, do have borders with third countries. They have rules, regulations, policing and so on. Would an open border with the North be tolerated in that context?

Mr. Cox mentioned that the UK makes up 12% of the EU's population and 16% of its GDP. While I am not sure what percentage of the budget they contribute, there will clearly be a huge hole in the budget once the UK is gone. We will have to either raise the lost revenue from other countries, or cut the budgets. The UK is a significant net contributor. The argument about £350 million a day or a week, whatever it was, going to the British National Health Service was part of the lies that were put out by UKIP and others during the Brexit campaign.

All the polls and barometers show that Ireland is pro-EU as a concept. In the context of the banking crisis and things like the Apple judgment and the common consolidated corporate tax base, CCCTB, Britain was an ally to Ireland on CCCTB but will not be part of the discussions in the longer term. During his election campaign, Mr. Emmanuel Macron was talking about CCCTB and the perception in France that Ireland is doing things differently from everybody else and benefitting. Although we argue that it is all very open and transparent, the French have a perception that we have manipulated tax rates in a way that deprives them and that our benefit is to their disadvantage. How likely is it, in Mr. Cox's view, that CCCTB will be pushed? In theory, everybody has a veto and anybody can stop it. Six reasoned opinions were issued by member states expressing concerns about it, but if we are the only outlier our position will not

be strong. Any reference to CCCTB at the moment would be very damaging to our budget. They are talking about calculating the tax on three bases, one of which is where the sales are made. Clearly, with our population, the sales are not made here. We may be manufacturing the stuff and have the employees here but we do not have the sales. Most of our corporation tax is foreign direct investment, FDI, based. Some 41% of it comes from the ten largest payers. If that were to change, we would have a huge hole in our budget. My concern is how to hold the line on CCCTB against the pressures that may come. Will other countries be understanding and refrain from pushing the issue?

Acting Chairman (Senator Gerard P. Craughwell): I ask Mr. Cox to respond to Senators Paul Daly and Gerry Horkan before we move on.

Mr. Pat Cox: Will Ireland get caught in the crossfire? That was the first theme. Ireland would not have chosen for Britain to leave. Britain has chosen to do so and we have to live with the consequences. One of the implications of the question is whether we would be better off getting out with the UK or going the course within the EU. Such a question arises in people's minds in this context. If we try to cure the severe economic flu that we will get from Brexit, particularly in the food and agriculture sectors as is well known, by leaving the EU, it will be at the price of catching terminal pneumonia. Terminal pneumonia is not a cure for a severe flu.

Among the trade relations between the Republic of Ireland and other states, our number one relationship is with the USA. A good deal of that is affiliate, in-company sales by US corporations back to the parent company in the United States. Much of it concerns transfer pricing and all the other elements that turn up in respect of who owes what money to whom in global corporate tax issues. A second element is that the second most important trade partner for Ireland is the United Kingdom, which accounts for 17 or 18%. The EU 27, however, account for 41 or 42% of our trade. In pure trade terms, we would be more severely damaging ourselves to uproot ourselves from the EU part.

Senator Paul Daly: I was not suggesting that.

Mr. Pat Cox: I am not saying the Senator suggested it but these things come up. They arise from the question about whether we are caught in the crossfire. We are caught in a circumstance that we do not find desirable and from which we cannot escape, but we would be very unwise to cause that to propel us into a self-harming direction. There is a second element in this. I believe, unhappily, that the consequences of the Brexit will be highly negative for the British economy over time. That in itself will have a spillover effect in Ireland. It is, therefore, exactly not the route to follow. We do not want to hitch our wagon to something that we expect to go into more decline than potential growth.

There is a third element which is historic and in a sense paradoxical. We are going through all these centenary events we are having a decade of centenaries. Last year we had what was one of the key high points as we recalled 1916. It is paradoxical that 100 years later the rupture in this relationship comes not from Dublin but from London. In a curious way it is a challenge to our State to understand what its statehood is and what mature choice we want to make. We should not enfeeble our statehood by feeling our only option is to follow what Britain does in Britain's own interests. Looking at how the British debate has emerged and considering what Scotland wants from the Brexit period, namely, to maintain Single Market access, or considering the comparative indifference in the entire debate to Northern Ireland, it seems that to throw ourselves at such tender mercies would be a highly unwise strategic decision for our State.

All that said, the Senator asked the question as to what we are to do. We are part of the EU 27 and the first part of the negotiations is clear. The negotiating mandate will discuss citizens' rights, the exit bill for the British and the Irish question. The committee will have heard directly from Mr. Barnier on that position. The citizens' rights negotiating paper, to which I referred in my opening remarks, expressly includes a reference to Ireland to say we want all of the rights of EU citizens in the UK and UK citizens in the EU states to be resolved without prejudice to the arrangements that are made for Ireland. In other words, it recognises that our common travel area within that is a separate case.

When it comes to trade, we cannot be half in and half out of the customs union and the Single Market. We will be in the European Union and the United Kingdom will depart from the European Union. If that applies to the entire territory of the United Kingdom, our 499 kilometre border will become a land border within the Single Market. The exit of Britain from the customs union, which they say they want to negotiate their own trade deals, is something that will inevitably impose serious problems with cross-Border trade. Some suggestions have been made that Northern Ireland should be somehow accommodated as if in the Republic of Ireland. When we look at trade from Northern Ireland, it has a huge trade with the Republic but a much larger trade with the rest of the United Kingdom, so whether that is what Northern Ireland itself would choose to do is a question for political leaders in the Northern Ireland Executive. I hope that Executive will quickly re-form itself because Northern Ireland needs a voice at this table.

There are no simple solutions to the Northern Ireland part. The committee may have heard evidence from reading newspapers and from staff in the Revenue Commissioners who have pointed out how this might work. While it is true that there is no precise equivalent, the border between Norway and Sweden is not a precise parallel but offers some insight, as do the borders of many European states with Switzerland. Norway and Sweden have a very high level of exchange of data between the two customs services. They also have the right for customs officers to engage in hot pursuit up to 15 km into each other's territory. There are sensitivities on this island about issues of hot pursuit. It is not that I am recommending this but I am simply observing that one does not get easy parallel examples.

On the question of Ireland within the broader trade deal, there are two parts to this. The first part concerns Ireland, the common travel area, free movement and how somehow to avoid a hard Border. Mrs. May has not promised no Border but rather no return to the past hard border. We have to be careful that we do not get swept up in something that is not on the table. The issue of travel ought to be soluble but the issue of goods presents a problem around tariff codes, rules of origin, transaction costs and necessary inspections, even if they are random and occasional. Technology can help but it will not be the full solution.

As regards the question of a referendum, these issues on which the Senators have posed questions, or the negotiating stance of the EU, there are two elements to answer these questions. The EU negotiator, Mr. Barnier, cannot ignore EU law. If he does, it is the right of any member state or institution of the Union to contest this breach of the law before the European Court of Justice. The first part then concerns what the law allows. The second part concerns political judgment. The Senator asked about the European Parliament. It has passed a resolution and if one looks at it one can see what it is asking. It is very much in alignment with what was adapted by the Heads of State and Government late in April this year. It shows a high level of engagement across the institutions to speak with a single voice and have almost a single script. What, therefore, would the role of the European Parliament be? I would say, politically, it is to be a kind of guarantor in that the things that the EU wants to negotiate should be negotiated on

the grounds that its assent is a requirement. Mr. Barnier will need to look over his shoulder to ensure the things he agrees with the United Kingdom are consonant with EU law and consistent with the general mandate of the Parliament because the Parliament's vote is *sine qua non*.

On the question of a referendum for Ireland, the more that future changes in whichever domain of the EU can happen under the aegis of the Lisbon treaty, the less likely is the question of a referendum. This is because that treaty is already the law. If issues are outside the terms of that treaty, without prejudging them they may or may not require a referendum in Ireland. If they are done strictly within the terms of the Lisbon treaty, and many could be done within those terms, a number of which need to be negotiated, and Ireland needs to have a negotiating position and be an active participant, then some of those changes might not require a referendum. Overall on the question of referenda, it depends on the complexity, ambition and scale of European change. If it is limited to building on the basis of the existing treaty, then no, and if it is outside of the terms of the existing treaties, given Ireland's customary practice, probably yes, as regards a referendum.

I have already touched a little on the question of the borders. The examples I mentioned of Norway, Sweden and Switzerland and so on have their own specificities. We will have to do something similar and have our own specificities on this island.

Senator Gerry Horkan: They allow freedom of movement of people. Norway is agreeable to a single market of people.

Mr. Pat Cox: They have a Nordic passport union but we have something equivalent with the common travel area.

Senator Gerry Horkan: At the moment.

Mr. Pat Cox: We have free movement which I think everybody wants to keep. I point out to the committee that the common travel area was mentioned in a protocol to the Amsterdam treaty. That was because Britain had opted out of the Schengen agreement and then we pragmatically opted out of it so as not to have to have a Schengen border on the island of Ireland. That opt-out was in a protocol to the Treaty of Amsterdam. As a protocol attached to a treaty has the equivalent weight of being an article of the treaty, the common travel area has already been recognised in EU law by virtue of that protocol.

I have always felt, from day one, that we had much standing on that. The complexity arises in a different case. What happens when EU nationals use their right to come to Ireland from locations such as Bulgaria or Romania, for example, and we have a common travel area with the UK? How we cover the issues of work permits, residency and travel is not yet clear. The more it is open on an all-island basis North-South, perhaps the more rigorous will be the checking east-west. This is no grave problem necessarily for the Republic of Ireland but it might create issues for some people in the community in Northern Ireland who regard east-west passage as a birthright as it is a constitutional reality. Northern Ireland needs its voice to express itself in those matters.

I do not want to give the figure on the budget as although I have it, I do not recall it. The British net contribution is substantial as Britain is one of the four largest member states of the European Union. It will leave a hole in the budget. The exit payment is not designed as some kind of punishment. Britain has already entered into commitments under existing rules. If one reads the Commission's paper on financial arrangements, no figure is mentioned. There are

many figures and much speculation in the media and good academics have done many sums but the Commission does not list a number in its document. It states that one matter that must be discussed is the “methodology” to work through the calculation of this. The first debate will be about what is included or excluded, and to what degree elements are included. What is clear is that in the medium term, the absence of Britain would reduce the overall spend in the European Union budget. There is a second question that must be asked about the European Union budget. If we want more secure borders and to have a proper humanitarian system to help save the lives of migrants in the Mediterranean, and if we want to have some kind of stabilisation instrument - a fund to cope with economic shock, which we do not have and which is a serious missing ingredient in economic and monetary union - they will cost money. They will cost more than the less than 1% of gross domestic product, GDP, in today’s EU budget. Whether EU member states are prepared to have that debate, I do not know, as every time we come to budgets, they are strong on ideas but very weak in ponying up resources.

We are at a crossroads. Do we value this Union that we have built and its capacity to act in a meaningful way when collective action is more effective than separate action? I have given some examples. If we do, we must invest in it. It would not be a runaway investment but a recognition that something that matters has a cost. As I stated, there is a counterpart in that the cost of failure is much more demanding than trying to build a cost of success.

For the next medium-term financial framework debate, the documents will be published early in 2019 if not sooner, and that will need to be adopted by 2020 because it will come into play in 2021. In principle, Britain will not be part of that, although if it is to go through a transition period of several years where it retains access to the Single Market and the Common Agricultural Policy, for example, it may well be that there would be transition costs to be negotiated as part of the settlement. That is speculation on my part as we do not know the nature or substance of that transition.

Senator Gerry Horkan: Did Mr. Cox cover the common consolidated corporate tax base, CCCTB?

Mr. Pat Cox: It has nothing to do with Brexit and it has been around for a long time.

Senator Gerry Horkan: The UK would have been an ally in opposing it to a certain extent.

Mr. Pat Cox: As there are many states in the European Union that have sensitivities about this, Ireland is not alone. I do not know if it will happen as changes to the tax code require unanimity. This is the state of law. It may well be that some people would prefer that not to be the law but that is what it is. If we choose to hold out on that, we can do it. Of course, when one holds out on something, somebody else holds out on something else. That is the nature of political life down the line. We would not be the only ones and Ireland would not be exposed as the only hold-out on the matter. I do not know if it will happen. With the Apple case cited by the Senator, I know the Government is joining the Apple appeal and the view of the Revenue Commissioners is that what happened with Apple is consistent with the state of law. At least on the face of it, I am prepared to accept, if it is what our authorities argue, that this is so. What is consistent with the state of law will be decided in the end by the court.

Stepping out from the law to a question of wider ethics, we could ask if it makes sense that very large global corporations, through the law, can have tax rates at 0.1% or whatever it is. This is one of the problems that many ordinary citizens have with the presumption that the winners of globalisation pocket everything and the losers carry the cost. Frankly, we must be part

of that debate as it matters to our society because we believe in globalisation and its positive utility to develop the mechanisms that understand where it hurts, we have a social and political responsibility to address such hurt. These were the voices that emerged in Brexit, to a degree, and in the election of Mr. Donald Trump, and we need to find some realistic answers to them. We need openness and foreign direct investment but we must also speak with our friends about some sense of ethics and fairness.

Senator Michelle Mulherin: I also welcome Mr. Cox to the Chamber. I have a couple of items on the back of some of the questions asked. We had Dr. Anthony Coughlan here last week from Trinity College, and I am sure Mr. Cox is familiar with him. Mr Cox pointed out that the majority of our trade is not within the EU if the UK is taken from it, with 41% in the European Union. Dr. Coughlan made many arguments and Mr. Cox is probably familiar with them. There is the idea that the benefit to us of being part of Europe is more in the past and now that we are net contributors, the suggestion is we are really just paying to be part of a market, despite us doing trade with many other countries. The argument was to do a deal with the UK and so on. As we are net contributors, is it a fair statement that staying part of the market, with the freedoms flowing from being part of the European Union, is worth paying into the European Union fund?

The corporation tax issue has been referred to and Mr. Cox has answered it. We are discussing the future of the European Union in the context of Brexit and the issues that have been thrown up. Mr. Cox made a point earlier that populism and anti-European sentiment seem to have been halted, at least when we consider the result of the French and Dutch elections. We take some comfort from that but issues remain, no more than those which gave rise to the likes of Mr. Trump assuming power in the United States. Such matters concern citizens and it is a question of where they put their faith. A dominant issue is immigration into the European Union and of people within it. We only have to look at the recent outrageous tragedies in Manchester, London, Brussels and Paris. While upholding our democratic values - our rights of movement and so on - how do we ensure that those same values are protected because these attacks are challenges to our freedoms? We must get down to the nitty-gritty and acknowledge that the threat does not just come from outside our member states but it also comes from within. How do we do this effectively? We hear Theresa May talking about human rights not standing in her way. Are we talking about curtailing civil liberties? Of course, many of our civil liberties are the antithesis of what the likes of ISIS proclaim. They proclaim there should be no such freedoms. We are really at the opposite end to what they proclaim. We also know that the conversation around the separation of religion and state is really a western conversation. Therefore, when we look outside to see the patterns of behaviour that influence people who become radicalised to act here, we know they do not see things the way we see them. We take these things for granted. We were brought up to recognise the authority of the State and the freedom of people to exercise their religious views.

To what extent should we start to call out situations or viewpoints that do not accord with our democratic values? To what extent is radical speech protected by the freedom of speech, which is also something we value? Where should the line be drawn? How would Mr. Cox say we can protect ourselves and the rest of the European in a practical way and ensure that this issue does not feed into anti-immigrant sentiment, because immigrants are not a problem? Immigrants have built up Europe, no more than our own emigrants built up the United States. How do we show people that we are actually acting to deal with the legitimate concerns because there is clearly a problem?

I remember reading a survey carried out on British Muslims in *The Sunday Times* in the last year. In terms of general dispositions and viewpoints of the rest of the nation, the data showed British Muslims had quite different viewpoints. The article presented the idea that there is a nation within a nation. We facilitate people self-determining but at what point should we assert that everybody - whatever his or her religion - is a stakeholder? Should we state nobody should just passively benefit from the freedoms of the European Union, Europe and western democracy but everybody must be called to the table to actually fight against anything-----

Acting Chairman (Senator Gerard P. Craughwell): Are we straying from Brexit now into other issues?

Senator Michelle Mulherin: I am talking about the future of the European Union. This is an issue that is obviously current and which may challenge people's views and the passion with which people stick with the European Union. European citizens see themselves as European citizens and this is very much alive in Britain. That is really the issue.

I have one other point. I acknowledge the good relations with the Islamic community here in Ireland. In my own neck of the woods there are very good relations. We have a big Muslim community in County Mayo and there seems to be a very good formula there but, across Europe, to what extent are Muslim leaders being asked to engage and to challenge dissidents, as they describe them-----

Acting Chairman (Senator Gerard P. Craughwell): With all due respect to the Senator, the Muslim community and its needs are outside the conversation we are having here in respect of Brexit.

Senator Michelle Mulherin: I disagree because one of the single greatest issues that led to Brexit, as some commentators would say, was the issue of immigration and security. I am interested in that because Mr. Cox, who has a breadth of experience, is here and I would like to hear some authority on the issue. Everybody has a view on it but Mr. Cox has a lot of experience in this area.

Senator Frances Black: I thank Mr. Cox for his fantastic presentation. He is a wealth of knowledge. We have been sitting here for the last few weeks. Many groups have come. Different organisations, businesses and the agriculture industry have come in and their biggest fear has been the hard border and how shocking it would be. I also fear a hard border. I hear what Mr. Cox is saying about Theresa May and how she has committed to it but she also committed to not calling a snap election and then she did. How can we trust Westminster? That is the big thing. How can we trust it, particularly with what is going on now in England after the two recent horrendous atrocities? I imagine people coming here and then going up North will be an issue. The hard Border is a concern. In Mr. Cox's experience, does he believe Westminster will prioritise or have any interest in the North? I would also be concerned about that.

It is great that the European Union is taking an interest. I have heard reports from different people who have been in Europe that the first question the Parliament asks is about how we are getting on. There is a huge compassion and concern, particularly for Ireland. I hope that, with all of that compassion and empathy, the European Union will make Ireland a priority in this Brexit situation. Mr. Cox mentioned Scotland and its seeking a special status. The North is probably in a better position to achieve special status within the EU. What is Mr. Cox's feeling on that? In his experience, what does he think about the North getting special status within the EU?

We recently heard the Minister, Deputy Simon Coveney, speak about a united Ireland. We have heard the SDLP speaking about a united Ireland. Bearing in mind that we must take account of the unionist community, what is Mr. Cox's view? The reality is that more people in the North - over 50% - voted to stay in the EU. Bearing all of that in mind, does Mr. Cox have thoughts on the issue?

Acting Chairman (Senator Gerard P. Craughwell): I will pose one or two questions to Mr. Cox, if I may. This committee should be focused on solutions rather than the problems. The problems are well rehearsed. Michel Barnier and various other senior European officials have stated, as have the British, that their intention is to have freedom of movement on this island. What is Mr. Cox's view of a federalist-type solution for the island of Ireland, where Ireland would be treated as a federal economy? This would allow for the type of North-South movement about which we have been speaking. Mr. Cox mentioned the "half-in, half-out" scenario. Is there a solution in being half in both camps, that is to say, in retaining our links with the British for trading purposes and with the Europeans for the open market?

With regard to investment, we will have road hauliers and people involved in transportation here later on today. One of the problems that may arise is that transport across the UK may become extraordinarily expensive. What is Mr. Cox's view with respect to investment in what I would call the European superhighway, that is, the development of our ports in Cork and Waterford? I envisage the possibility of ten or 15 ferries a day travelling between Cork and Roscoff or Wexford and Roscoff, in order to bypass the tariff issue.

I will pose a question on the issue of European solidarity and the pathway forward - the White Paper to which Mr. Cox adverted earlier. Does he agree that we must wait for the final outcome of the Italian election and possibly even the Irish election before we consider what type of European Union of the future we will have? Is it all in for solidarity or is it the watered-down version? I am interested in Mr. Cox's views.

Senator Maria Byrne: I welcome my fellow Limerick person to the Chamber. I am not sure if he covered it in his presentation but I have a question on education. Foreign students in Ireland pay higher fees. When Irish students go to the UK, they pay the same fees as UK students. I am very concerned about whether Irish students travelling to the UK to college will be treated like foreign students and faced with high fees. There is a quite a bit of movement between Ireland and the UK for education.

Mr. Pat Cox: Reference was made to other witnesses talking about trade flows and so on. Trade with the USA is particular because of the volume of US foreign direct investment and the level of in-company trade that takes place. It is not to say that is all of it but it is a very large part of it. That is a structural issue in the Irish economy. In or out of the EU and with or without Britain, that structural issue is there. There is no doubt that the larger part of the rest of the trade gravitates to the EU 27. A point which should not be ignored is that the EU has the exclusive competence under EU law to negotiate free trade area agreements between the EU and other states. Of the order of 90% of Irish exports are covered by EU free trade area agreements. If I am being asked whether I think a small state has the same weight in that global environment to negotiate trade as a large bloc like the Single Market, my answer is "No". We derive a considerable advantage in our non-EU trading relationships from EU free trade area agreements. Indeed, this is one of the complexities for Britain. Britain will need not only to negotiate new trade arrangements with the EU, it will need to renegotiate 55 free trade area agreements under which it enjoys trading privileges with other states because of the EU. That accounts for 85% of British trade.

I refer to net contributions. Just as earlier we were a net beneficiary, these are a function, happily, of our relative economic success. In spite of the many issues we have at home, we are, relatively speaking, one of the wealthier EU economies. Paying the net contribution is a function of the success we enjoy. When we joined the EEC, we were one of its poorest regions. Consequently, we were entitled to draw down substantial funds to assist our development. Not only do we have the benefit of trade for the money and access to a market, there is a great deal more we get which ought not to be set to one side by those who choose to ignore these things. For example, I refer to the last question. We get for all of our students the same rights as any student in any member state. If a state does not charge its own students, it cannot charge an Irish student because we are European and equivalent to them. When we get our qualifications, they are mutually recognised professionally as qualifications across the EU. When one is issued with a passport or driver's licence, it is recognised everywhere. One does not need to get a German driver's licence to be in Germany because the Irish one will work. We have ERASMUS exchange programmes, CAP funding, Leader funding and trans-European network funding in respect of ports, which are already providing things here. We have research and development grants for Science Foundation Ireland, our universities and leading innovators and researchers. While we have access to the Single Market, we have a great deal more besides and we should not ignore that. Beyond that are the intangible benefits of living on a continent that only knew war but which for the prolonged period, by historical European standards, of seven decades has lived in peaceful co-existence. That is an important stability condition from which much of the rest follows.

Senator Michelle Mulherin raised a whole series of issues about immigration and terrorism. As I am in this public forum, I take the opportunity to express sympathy and solidarity with all the victims of terrorism, especially of the recent and horrific events in the United Kingdom in Manchester and London. On immigration and the flow of refugees, we have duties and responsibilities. Our duties arise under international law and the Geneva Convention and we should not ignore those. However, we have responsibilities also to our citizens not to have something that washes over us to such an extent that we cannot cope. The consequences of the war in Syria, the shocking volumes of people who have had to flee, the shocking conditions in which they have found themselves as they have fled and the shocking exploitation they have suffered need a humanitarian response. However, I make the point that no single state can solve this on its own. If there was ever an issue the EU ought to address in future, it is to get a modern asylum policy and border management policy and to co-operate on them. Otherwise, as we have seen, unfortunate people who are fleeing will be shoved from pillar to post as they try to find some space.

This is an area in which the EU could and should be more effective and where we should play our role. We are already very proud of the fact that our Naval Service has done so much to rescue people. We do that jointly with Italy. However, there is a wider European effort in which we should feel free to join. Ideally, we should be part of that effort. There is a great deal of work to be done there. My broad answer to the immigration and asylum seeker point is that we need to follow the law while also managing how we deal with this. Our system has broken down and we will not answer it by doing what Hungary has done with everyone building fences around their countries. The only way to answer this is to find mutual solutions. Our concern should be reflected in pushing the EU and joining the debate to develop a modern immigration and asylum policy and a border security policy with capacity. That will cost money. That is why I am saying we need instruments that are focused on solutions and not big waffling discussions on some global concept of Europe. We need real delivery instruments with some real delivery capacity.

On the question of terrorism, its source and radicalisation generally, I risk digressing to make the point that it is unhappily the case that many of the terrorist incidents we have seen in continental Europe and the UK in the course of the past decade have been carried out by radicalised persons who were born, bred and educated in their host societies. We need to distinguish between immigration and asylum, which could include some bad guys but is mostly innocent people trying to escape slaughter and war, from this real issue. That real issue comes again to something where there is at least partly a European contribution to make. The United Kingdom will be leaving. It has a very good intelligence gathering system. We share intelligence flows through our Garda and security forces as we saw since the London incident in the last two days with the surprising but not necessarily unexpected link back to Ireland. We must do more of that. The EU needs to develop a greater capacity for that kind of sharing and policing because citizens are entitled to security. I return to the point that because this is a universal issue, trying to find an Irish solution, British solution or German solution is doomed to failure. The problem does not stop at any one border.

The European Union can be instrumental in the sharing of that information. In all of these areas I say, please, voice our concerns. We must ask ourselves if we, in Ireland, acting alone, can find a solution that will work better than sharing a solution across a wider territory. I strongly believe it can be done better in finding the right instruments at a European level that will also apply to us and assist us in dealing with the challenges.

I wish to respond in general terms to the question of whether we should pay money to access a market. It is not just about that; it is also about valuing freedom and the values that hold us together, even though they are stressed and sometimes strained, but that does not matter. Ireland is remote from somewhere like Ukraine where I have been privileged to do a lot of *pro bono* work on behalf of the European Parliament on the Ukrainian reform programme. I highlight the fact that the Clerk of the Dáil, Mr. Peter Finnegan, and his staff have received staff from the Parliament in Kiev. They have made an extremely active contribution behind the scenes out of the headlines, for which they deserve credit. As an Irish person, I am really proud of the work that has been done.

We must realise there are aggressors on the borders of Europe. I refer, in particular, to the annexation of Crimea. I also refer to the war in Donbass, in which as many as 500 people die each year, despite the so-called ceasefire. Some of our neighbours are really scared and one sleeps less easily in the Baltic states than in Ireland. If we value freedom, Ireland must contribute to the debate.

I have listed the questions posed by Senator Frances Black. We must do everything we can to minimise the prospect of a hard border. There is a high chance, subject to sharing a lot of information on persons who travel to Ireland, which I do not think is an issue, that we will be able to resolve the issue of the free movement of people. The issue of the free movement of goods is more complicated. Ireland's membership of the customs union suits its economic interests because it helps to provide lots of supply chains. There will, however, be consequences if the Republic remains in the customs union without Northern Ireland. We need to work on minimising them as best we can. Unfortunately, when the United Kingdom chose to leave the European Union, there was no vote on the degree to which it should happen. Unhappily, it opted for a hard Brexit. The European Union cannot talk someone into a soft divorce if the other divorcee insists on controlling its borders, getting rid of the European Court of Justice, leaving the customs union and breaking the links with the Single Market. That is a hard Brexit. The British Prime Minister, Theresa May, has argued against what she has called the binary logic of a hard

or a soft Brexit. In her party's manifesto, the speech in Lancaster House and the UK Government's White Paper she has opted for something every other observer regards as a hard Brexit that will, unfortunately, have hard consequences.

There has been much political comment in the Republic of Ireland and some debate in Northern Ireland on seeking special status for Northern Ireland. I am not sure what that term means. Does it mean that, to all intents and purposes, Northern Ireland would be involved with the Republic of Ireland in an all-island engagement with the European Union? That clearly would amount to very special status because constitutionally Northern Ireland is part of a state that is about to exit the European Union.

Earlier I asked the following question: why does Northern Ireland need an executive and a voice? I wonder if that is what it wants. When we reach the political question, a united Ireland can only happen through winning hearts and minds and consensus. History has taught us that militarism, bombs, guns and bullets are not the answer and divide rather than unite. If we want to have a consensual conversation about an evolution, with whatever structure and timescale is deemed appropriate, towards a unified island, we must tread carefully and with respect to ensure we will reach people's hearts and minds. I would not like to go over the heads of the representatives of Northern Ireland and say special status, in the way I have defined it - I am not sure what others mean by it - is something they would want to be covered in circumstances where one third of their trade is with the South but the two thirds of their trade with the rest of the United Kingdom would be damaged. In pure trade terms, people in Northern Ireland have questions about what their preference should be.

The point has been well made that 56% or the majority of people in Northern Ireland voted to stay in the European Union. Whether the same percentage would vote to exit the United Kingdom in a border poll is a separate question, one on which I cannot make a judgment. In opinion polls a majority in Northern Ireland have indicated that they would not support breaking the union with the United Kingdom. One needs a majority in favour of breaking the union in order to have Irish unity. The question of a united Ireland is connected because one needs to win hearts and minds and reach a consensus. I am optimistic that it is a very decent perspective that it should not be force fed. The pace should not be forced because there must be consensus. We do not want to see a return to the killing and maiming we witnessed for three decades. That must be left behind and nothing should let the genie out of the bottle by creating difficult sentiments.

On the half-in, half-out question or whether we can do one deal with the United Kingdom and a different one with the European Union, the answer in law is no. The deal with the United Kingdom as a third country will be done under Article 218 of the treaty, under which the European Union has exclusive competence to make trade deals. We would only be able to do a bilateral trade deal with the United Kingdom if we were to exit the EU 27. We cannot choose to be *tadhg an dá thaobh*. We are on one or other side of the equation; we cannot have a 50:50 or each way bet. We can, however, keep a watchful eye, with others, to ensure the deal done with the United Kingdom will be consonant with Irish interests to the greatest possible extent and have a duty to do so. The effects of the adjustment or transition may be so severe that we may need to call on our European neighbours to show solidarity with us by an easing of the burden in financial terms. We need to be conscious of this aspect, but it is not our first bargaining point. It is important to note that 3.4% of the GDP of the EU 27 is tied up in trade with Britain, whereas the figure for the United Kingdom is as much as 12.8%. Therefore, the level of trade is of much more importance to the United Kingdom. As much as 17% of Ireland's GDP is tied

up in trade with Britain. Ireland is, therefore, an asymmetric outlier and may thus need to make a special plea.

My last point is about transport. I co-ordinate activity on the major trans-European transport corridor from Scandinavia to the Mediterranean, while a colleague of mine, Mr. Péter Balázs, co-ordinates activity on the transport corridor that includes Ireland and the United Kingdom. In transport planning, if the United Kingdom leaves the European Union, it will be like missing two front teeth. Senator Gerard P. Craughwell is correct that we must consider strategic infrastructural investments to ensure energy and transport connections to facilitate the new reality while maintaining access to the United Kingdom.

In considering that issue we should seek from the European Union a focus on TEN-T and have a debate about reprioritising the corridor to connect an outlying, peripheral island to the Continent because the middle piece, the landbridge across the United Kingdom, will become, as I stated, like two missing front teeth.

I thank the special committee for the invitation to appear before it. I also thank Senators for their interest and questions. It has been a great pleasure and privilege to address the committee.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Cox for engaging with the special committee. If, at any stage, he wishes to contribute more, he may do so directly through the secretariat. I thank him for his answers and time.

Sitting suspended at 11.20 a.m. and resumed at 11.25 a.m.

Engagement on Transport Policy

Acting Chairman (Senator Gerard P. Craughwell): On behalf of the special committee, I am pleased to welcome Mr. Kevin Toland, chief executive officer, Dublin Airport Authority, and Mr. Aidan Flynn, general manager, Freight Transport Association of Ireland, and their colleagues. The committee has already had a session on transport policy which we found extremely useful. Significant, practical issues emerged during our previous interaction on the issue and I am sure this discussion will be similarly interesting for all of us.

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.

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

I ask Mr. Toland to make his opening remarks.

Mr. Kevin Toland: I thank the special committee for inviting me to appear on behalf of the

Dublin Airport Authority, DAA. I have circulated a brief presentation, the key points of which I will synopsis for four or five minutes before answering questions Senators may have.

Brexit is a key issue for Ireland because we have a very open economy and air connectivity is critical to its functioning. Not only is the United Kingdom withdrawing to some extent from the world stage and the European Union but the United States is also pulling back and taking a different role. For this reason, it is all the more important that we remain connected and active and have air connectivity.

Aviation matters to the economy and country, with 91% of access to the island by air. It is critical for Irish businesses operating internationally and trading outwards and in supporting foreign direct investment and tourism, one of our key industries which employs one in nine workers. The DAA, the company of which I am the chief executive, has been driving growth in the level of air access. We have conducted an economic impact study which shows that Dublin Airport accounts for 117,000 jobs across the economy, with Cork Airport accounting for approximately 11,000 jobs. Approximately 3.5% of gross domestic product is directly associated with air connectivity.

Like all industries, aviation is very much a scale business. People ask me what is Dublin Airport's competition. Our competitors are airports such as those in Brussels and Manchester because we compete with them for aeroplanes and routes. Our competition in the case of Cork Airport is airports such as those in Bristol and Lyons, with which we also compete for aeroplanes.

Ireland has been left very exposed by Brexit. From an air access perspective, approximately 11.5% of air traffic from the European Union is into the United Kingdom, while approximately 53% of UK air traffic is to EU countries. Ireland is by far the most exposed of EU member states, with approximately 39% of our air traffic to and from the United Kingdom. To take the cases of France and Germany, two of the key negotiators of an overall agreement, just 6% and 7%, respectively, of air traffic from these countries is to the United Kingdom. Air access is fundamentally much more important for Ireland which is far more exposed than other EU member states as a result of Brexit.

I will briefly address a couple of key impacts before taking questions from Senators. The common travel area is not only about the Border because Ireland and the United Kingdom also share visa programmes for 18 countries. This is very important for Irish business and the economy in terms of trade and tourism. The chief executive of Dublin Port pointed out that if the common travel area were to fall away as a result of a hard Brexit, the traffic jam from Dublin Port would nearly reach Senator Gerald Nash's home town of Drogheda. While that could be fine in some ways, we would have the same disruption at Dublin Airport and it would be very costly and disruptive to trade. Ultimately, it would act as a disincentive to trade and travel.

Tourism is still one of our critical industries. Approximately 42% of tourists to Ireland arrive from the United Kingdom. This is an iceberg. Dublin Airport passenger numbers are growing strongly this year, with growth of 7% recorded already this year. However, this figure masks the fact that tourist numbers from the United Kingdom are in freefall. Figures published by the Central Statistics Office last week showed that tourist numbers from the United Kingdom had fallen by 10.7% in the first quarter of 2017 and by 6.5% on the figures for the previous month. The numbers are falling like stones and should not be masked by good performance elsewhere.

While it is an important market for bringing tourists in, often we do not realise that our most

important competitor for tourists is the UK. Once people have gone to Paris, Rome, Madrid and London, they tend to look at Wales, Scotland, Devon, Cornwall and the Lake District. These are the areas we are competing with. We are now competing with an economy where sterling is weaker. In that way, those in tourism there are more competitive and we are more expensive in terms of bringing in tourists and competing with them. We saw this impact immediately after the vote last June when sterling depreciated. We saw it in the shops in particular. We run a large duty free business. We saw it in our shops in Cyprus and Dublin, where a large number of UK travellers shop.

Another key item is the open skies deal. Many people do not realise what freedom of travel in the European Union means. What it really means is that any EU airline can go from any point to another point with no restraints whatsoever. Since the open skies deal was introduced in the mid-1990s the number of routes has increased fivefold. Committee members will see from our submission that the competition where more than two airlines are competing on a country-to-country route has gone up tenfold. Ireland is a prime example. We see the development of air travel in our country through that lens.

The critical point for the DAA is that we need to deepen our connectivity, especially our long-haul connectivity. We have gone from four routes in 1996 to a total of 24 cities and 34 services on long-haul this summer. We need to defend our share and defend our business in the UK. In particular, we are bringing on our new northern runway in Dublin. We need to bring that on as quickly as possible such that we are not in a position whereby we are unable to keep growing. We need to be able to grow and ensure usable conditions on the runways. This will help to ensure that our economy is safe and secure from the threats that come.

There are positive and negative impacts on everything and it does not end up being all negative. However, we believe Brexit is negative on the whole. A change to the common travel area would be negative, unless the arrangement is preserved. The tourism impact and the open skies impact are crucial. There is an interlocking system of regulation in security and safety as well as in air travel throughout Europe. It has an underlying impact on both economies. Whether we like it, we are dependent on the UK economy for much of our trade and services.

On the other side there are positive impacts. The reintroduction of duty free to the UK could be positive. We believe there will be opportunities for people relocating from the UK to Ireland since it will be the only English-speaking common law part of the European Union. We believe there will be opportunities for transfer business. However, in a net sense we believe it is negative.

Key actions in tourism are vital. We need to act now and spend more money. We need to defend our UK market. We also need to defend against the UK, which is far more active and spends more money regionally. The UK is increasing the number of flights to long haul destinations and has taken a decision after 40 years on Heathrow Airport. We need to ensure the visa regime stays flexible. We need to underpin our connectivity by bringing on more capacity as fast as possible such that in no way will we be held back from the economy growing and developing. We need to do whatever it takes to protect the common travel area and the Border. We need to push hard in order that, whatever else arises, the open skies arrangement in place is kept in future. We need to continue our push within Europe for continued liberalisation. We will miss the UK being at that table. The UK is one of the key advocates for open skies and an open market. As a small peripheral economy, we are absolutely exposed to the market and therefore we want a truly functional open marketplace.

I thank the committee for giving me the opportunity to make my presentation. I hope committee members have seen the document we sent in. It has a clear synopsis.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Toland. We will now turn to Mr. Flynn who is general manager of Freight Transport Association Ireland.

Mr. Aidan Flynn: I am the general manager of the Freight Transport Association Ireland. We are delighted to be invited to present to the Seanad Special Select Committee on the Withdrawal of the United Kingdom from the European Union regarding issues that are of major importance to our members.

FTA Ireland is a not-for-profit membership trade association for the Irish freight, passenger and logistics industries. The association is wholly owned and governed by our members. To date, we have over 300 members, which represent some of the largest freight and passenger operators in Ireland. Our members have more than 25,000 employees and 10,000 commercial vehicles operating between them. Our mission is to help our members to develop safer, more efficient and sustainable supply chains and transport operations. We provide representation, information, training and auditing services for our members. We have a recognised gold, silver and bronze accreditation programme that all our truck fleet members must participate in annually. The programme is designed to recognise operators that demonstrate the highest standards of professionalism and compliance in day-to-day management of drivers and vehicles. The accreditation gives independent verification that operators are meeting minimum legal requirements in terms of driver training and management and vehicle roadworthiness. To date Brakes Ireland, BOC Gases Ireland, McArdle Skeath and National Vehicle Distribution have achieved the gold standard.

There are over 18,000 commercial vehicles on the operator licence list in Ireland. That corresponds to 3,834 operators listed for international and national operations with an average fleet size of 4.7 trucks. Of that figure 12,600 vehicles or 2,351 operators are registered for international haulage. Ireland's geography means that the freight and logistics sector is critical for the country's economic activity and its connectivity to the rest of the world. The majority of freight in Ireland is transported via road. Two thirds of all freight in Europe is transported by road. In 2015, a total of 118.1 million tonnes of goods were transported by Irish goods vehicles. Most export freight is transited via Ireland's ports either as road freight, which is known as roll-on roll-off freight, or as container freight, which is known as lift-on lift-off. Dublin is Ireland's largest port and handles 44% of the total tonnage of goods traded.

The UK is leaving the EU. Contingencies must be agreed and planned to ensure minimal impact to trade and to mitigate uncertainty on rules and regulations or lack of access to markets. What is certain is that the harder the Brexit, the more issues that will arise for the transport and logistics sector as a whole.

Brexit brings many challenges, not least understanding how the supply chain will be impacted and the knock-on effect this will have on the efficient flow of goods into and out of the country, as well as whether this will have negative financial consequences for the competitiveness of the country and the consumer.

The unique relationship between Northern Ireland and the Republic of Ireland cannot be understated during the negotiations. It is testimony to the Government and the Taoiseach that this issue has drawn support from UK and the EU. Having this topic discussed in the early stages of the process will help put shape on what the country must do to prepare for Brexit. Aside from

the fact that cross-border trade amounts to approximately €3 billion annually, with approximately €1.5 billion in the food and drink sector alone, the implications for jobs and the movement of people across the Border are extraordinary. No other country in the EU is as reliant on the UK as Ireland as a trade partner and in terms of access to the wider EU market through the UK landbridge. The UK is Ireland's second biggest market after the USA, with almost 13% or €15 billion of Irish exports going to the UK in 2016. The UK purchases 50% of Ireland's beef exports, 42% of our food and drink exports and 55% of Ireland's timber and construction sector exports. Ireland is also heavily reliant on UK products. Most goods imported by Ireland in 2016 came from the UK. The value of this trade is €16.6 billion.

Members of FTA Ireland are concerned about the consequences of Brexit. The world is a different place compared to the 1980s and early 1990s, when border checks and customs checks were par for the course. The current marketplace has grown up based on just-in-time logistics, ease of access to products and services, as well as organised and relaxed borders. In the early 1990s we were sending only 37,000 roll-on roll-off units per annum via the Irish Sea to the UK. Today, the corresponding figure is in excess of 400,000 units per annum from Dublin Port alone.

Ireland, as an island nation on the periphery of the EU, is reliant on getting the majority of its imported and exported goods to and from the EU predominantly using the UK as a landbridge. There is only limited scope to increase volumes by sea and air. While it is true that Ireland does not rely on the UK market for exports or imports as much as in the past, the agrifood sector still does. Restrictions to trade will not only have a devastating impact on this sector but on rural Ireland, where these products are produced and where farmers and local businesses are linked. An obvious solution is to ensure a trade deal with the UK that allows trade to move in a manner we are all used to. This is something we can all pursue.

FTA Ireland has published a position paper that makes three priorities. The first is for no hard border with Northern Ireland and no barrier to trade with the UK. It is vital for the stability of the North and the unique interdependence between Northern Ireland and the Republic that a hard border is avoided. Production processes and supply chains are highly integrated with many businesses operating on an island-of-Ireland basis and many products being partly produced and processed on one side of the Border before being sold on the other side. Customers and businesses have grown accustomed to the flexibility brought about by the current arrangements. Bringing back the borders of the past will create unnecessary delays and disturb supply chains. A hard Border would also create difficulty for Irish businesses located in Donegal and Sligo because the best route for them to reach the port of Dublin is through UK territory. It is therefore essential that both negotiating teams find solutions that will work for all parties and which will not cause undue delays. An all-island of Ireland approach needs to be taken during the negotiations. The impact and extent of controls should be minimised through greater prioritisation of controls and the use of smart technologies. Mutual product recognition between the EU and the UK should also be guaranteed post-Brexit.

The second priority is seamless transport links between Ireland and the UK. Ireland needs efficient and flexible road transport links to Northern Ireland and Great Britain, as well as an efficient landbridge to continental Europe. Mutual recognition of transport documents, qualifications and licences for road transport operators should continue post-Brexit to limit disruption. Post-Brexit, it is important to ensure that all companies are treated in a fair way by authorities, regardless of their country of origin.

The third priority is a seamless transition to the post-Brexit era. Political uncertainty has a negative impact on business operations not least because of currency fluctuations. A sustained

period of uncertainty must therefore be avoided to allow businesses to plan ahead and investments to be made. Negotiators should try to provide as much clarity as possible to businesses as the general framework of the future relationship with the UK. Avoiding a cliff edge for businesses should be the priority of negotiators on both sides.

Ending negotiations with no deal would be the worst case scenario for industry. A suitable transition period will be needed between the UK's exit and the conclusion of a new agreement and new arrangements but this transition can only take place if it is foreseen in the withdrawal agreement with the UK. Negotiators need to agree a phased implementation of new rules to allow businesses, authorities and entities responsible for critical infrastructure, such as ports, to adapt to new arrangements post-Brexit. Industry will need clear and simple processes, but also time and support to train its workforce. Dedicated help should be provided to businesses that have less experience of international trade and operations, especially SMEs.

For frictionless trade or no hard Border on the island, it is clear that new standards of compliance and operation are going to be required that are ambitious and technologically inclusive. It is vital for successful implementation that we plan, resource and support this in time, irrespective of the outcome. FTA Ireland is calling for the appointment of a dedicated Brexit or logistics minister to ensure Government continues to put the needs of Irish industry at the heart of Brexit negotiations. Without a minister operating in this dedicated role, Ireland is at a disadvantage over the course of the negotiations and we must do everything possible to ensure the sustained success of the nation's trading relationship with the UK and the EU member states. While we recognise the work done by civil servants here and in Brussels to date we would strongly recommend a more focused cross-departmental approach that will facilitate the implementation of solutions. The concerns of shippers, freight forwarders, consignors and distribution companies must be listened to in determining the best outcome for Ireland. This will be aided by clear leadership driven by the government of the day but supported by a dedicated minister with responsibility for Brexit and the supply chain.

There are also concerns about skills shortages. To be Brexit ready industry must invest in developing skills, and technological competencies to ensure free flow of goods and services. Too often the transport sector has been bypassed in training and education. Now is the time to invest in upskilling the workforce and preparing an industry to be world leaders. The committee should bear in mind that the average fleet of trucks operating internationally is five vehicles making this SME sector very exposed to sudden sharp change. Support must be forthcoming to provide training and supports in customs processes and also to urgently introduce continuing professional development for transport managers. Currently, to have an operator licence a person needs a transport manager certificate of professional competency, CPC, qualification but there is no follow up to keep a manager up to date with new legislation or systems. This needs to change. Third level colleges should be encouraged to work more closely with the industry on projects that will benefit both the college and the industry in aiding the upskilling requirements.

Due to Brexit it is inevitable that there will be more requirement for customs services. Importers and exporters will have to invest in the services of customs clearance personnel in order for value added tax, VAT, and tariffs to be paid to the Revenue Commissioners in an organised and timely manner or face delays to the movement of goods. Those moving the goods must fully understand the documentation and processes involved in this new era of distribution. It is important that there is a collaborative approach taken in promoting solutions that will work well for all parties. This will ensure better compliance and engagement as well as developing trust, which will be vitally important in reducing the likelihood of delays or product deterioration.

Over the years specialism in the customs and excise sector has diminished considerably, primarily due to the standardisation of systems, the lack of business potential in the private sector and ultimately the lack of demand for these services. The public sector has also suffered because there will be a spike in demand for these skills as a result of Brexit. When it comes to planning for customs in order to ensure that full advantage is taken of the available special procedures and to legally minimise payments, there are very few specialists able to provide a fully professional service. To aid solutions that are viable for all, including a borderless Northern Ireland and ease of movement of goods into and out of the country via the ports, there must be agreed systems, controls and standards of compliance requirements.

There is a great opportunity for Irish international operators to be prepared to compete in a marketplace that demands compliance, professionalism and certification. Consideration will of course have to be given to the cost of adaption and the requirement for business to recruit additional staff and invest in technology. Cognisance must also be taken of solutions that are viable and will not leave any member state in a worse position than it was in prior to Brexit.

Article 50 has been triggered since 29 March 2017. The countdown has begun but negotiations have not. The problem for all will arise if an agreement cannot be made or there is no prospect of an agreement after the two year period. In this scenario there cannot be an extension to the negotiations. Ireland must prepare for this possibility and it is vital that there is clear leadership that will protect the country's interests irrespective of the outcome and strive at every opportunity to get a deal that is best for Ireland. It is certain that the UK will become a "third country" and that all in the supply chain must plan for this.

We must look on Brexit as an opportunity to revitalise our supply chain and examine how we can get goods to and from Ireland to the other markets. For this to happen we suggest the following: a dedicated minister for Brexit and supply chain. This will aid a co-ordinated approach to working with key stakeholders in determining the issues and preparing solutions at EU and local government levels. We recommend engaging the education sector particularly business and supply chain colleges that can help view the situation from an academic perspective. A lot of research has been carried out on supply chain logistics, resulting in some ideas which are our future solutions. We need to understand some links in the supply chain may be more advanced than others. When technological solutions are introduced the problem will arise that some in the chain will not be able to adapt as quickly as others, we must understand and plan for this eventuality. It is critical for businesses to have a smooth transition in place to what is likely to be a very different regulatory and trade environment. Industry needs time and predictability to adapt. There should be no sudden changes to rules and requirements, and industry needs to be properly consulted every step of the way. In the future, irrespective of the relationship between the EU and the UK, the threat of divergence of rules and standards will always expose Ireland to more trading difficulties than our European partners. For instance, it was recently reported that over 200,000 fidget spinners had been confiscated by the Competition and Consumer Protection Commission due to safety concerns that they did not have the European CE mark. This could become a much more common occurrence given that the UK will not be obliged to meet the same requirements. Shippers need to ascertain as best they can that their contractors are carefully selected and that drivers are subsequently trained and monitored, as required by both the EU and national legislation, as well as for their own peace of mind. It is very important that shippers appreciate the factors affecting the environment through which their goods will pass en route to their final destination. There should be increased funding to support more progressive and fair enforcement at national and EU level. Skillnets funding should be made available to aid the education and upskilling requirements. An accreditation

programme needs to be initiated for all levels of the supply chain to aid a viable and efficient solution for Ireland's accessibility to market issues. This can also lead to fast tracking customs at Irish and UK ports and will definitely facilitate ease crossing the Border. We need to exploit the opportunity to improve the whole supply chain and improve professionalism and compliance at all levels. There must be more linked-up thinking. We remain positive but it is wise to plan for the worst and hope for the best outcome.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Flynn for his comprehensive overview and invite Senator Gerald Nash to open the questioning.

Senator Gerald Nash: I thank Mr. Toland and Mr. Flynn for their very comprehensive contributions. I thank Mr. Toland, in particular, for the work he has done with the Dublin Airport Authority, DAA, in recent years. It is common knowledge that he is moving on from that role and it is no exaggeration to say the DAA, Mr. Toland, with the leadership he provided, and his staff have played a central role in the recovery of the economy.

The open skies policy has been enormously beneficial to Ireland in terms of jobs in this country and the development of our export industries. Destinations are now open to Irish people that were not open to us just a few short years ago. Britain's involvement in the open skies policy and associated regulations will lapse when Brexit becomes a reality two years from now. I would like to tease out with Mr. Toland what might happen if there is no replacement agreement that mimics the best elements of open skies and all that flows from that. If there is no replacement, clearly we will be facing a cliff edge that could have catastrophic consequences for Irish jobs, access to Ireland and connectivity. We are obviously hugely dependent on the UK in terms of inbound visitors but also for air traffic more generally. Mr. Toland's submission refers to the fact our traffic dependency on the UK stands at almost 40%, which is enormous. We have teased that out with other contributors at previous meetings of this committee. Realistically, what does Mr. Toland think the prospects are of an arrangement that would mimic the arrangement we enjoy at the moment, notwithstanding the restrictions that will necessarily be in place? We could be facing a cliff edge that could be very damaging for Irish jobs and businesses.

Senator Paul Daly: I welcome both delegates and thank them for their insight into what is a vitally important sector in the context of Brexit. As Mr. Flynn rightly said, we must all hope for the best but plan for the worst. In the context of the worst case scenario, what provisions has FTA Ireland made? In terms of both importers and exporters, if the worst case scenario comes to pass, we have a hard Border and roll-on, roll-off operations using the UK as a landbridge become a nightmare, logistically and commercially, one of the alternative options might be lift-on, lift-off. If Mr. Flynn believes that there will be a big move in that direction, are our ports ready to handle that? If the best option, having done the analysis, is air freight, what is the position with our airports? Mr. Toland mentioned the traffic handling capacity of the north runway, but will there be enough capacity if there is a rush on air freight because it is logistically impossible to continue with roll-on, roll-off operations? Perhaps it is outside his brief, but does Mr. Flynn believe our ports are ready to handle potential increases in traffic?

This is a cross-party committee and, as such, it is apolitical. That said, my party and I agree that there is a need for a dedicated Minister for Brexit. We have been told that it is a decision for Government and that, at present, the Government believes it is better to have individual Ministers concentrating on their own briefs but with Brexit in mind. The argument is that people specialising in their own areas is a more effective or better model than having one person loaded with this entire problem. With that in mind, will the witnesses outline the contact they have had with the Minister for Transport, Tourism and Sport and also what feedback or vibes they have

been getting from the Department in terms of where it is on the issue of Brexit?

In terms of the worst case scenario and a hard Border, Mr. Flynn referred to lorries travelling to Donegal or other locations in the north west. As he pointed out, the shortest route there is a straight line, which means entering and re-entering Northern Ireland. What contingency plans, if any, does the haulage industry have for such a scenario? This is an on-island issue and does not even concern exporters and importers. Has that been considered in the context of the worst case scenario, which we all hope will not happen?

Senator Michelle Mulherin: I thank the delegates for their presentations. In his presentation, Mr. Flynn set out the priorities and the supports that the freight transport industry would need to transition and get through this intact. What are the members of his organisation doing right now? Are they taking steps or measures themselves or are they banking on the Government responding to the requests they are making? It is a matter of concern that many of those involved in the freight transport sector are small businesses and, as such, it is harder for them to cope with something as strategic as Brexit. What is happening right now or is Mr. Flynn's presentation based on looking towards the future?

We have had presentations on open skies and concerns have been expressed to us that next March could be a real deadline. It has been suggested that if the issues around devising an alternative to open skies are not sorted out by next March, that will impinge on the ability to book flights from March 2019. It was explained that one can book flights with an airline up to one year in advance and, therefore, an agreement would have to be reached well before the 2019 deadline. It makes sense that this would be a priority for the British and the European Union because it involves both passengers and goods. Does Mr. Toland have any reason to believe, from discussions he has had with the Department, that something approximating open skies will not be achieved with the indicative timeframe, that is, by March 2018, as called for by Mr. Michael O'Leary of Ryanair and representatives of other airlines? If it is not achieved, what will happen in terms of flights from Britain to Ireland? What will people have to go through in that context? Mr. Toland has said there is no default position, but I understand we will be falling back on old treaties. What would that entail? What will happen if we get to the cliff edge and do not succeed in pulling back from it?

Acting Chairman (Senator Gerard P. Craughwell): I will pose a few questions myself before reverting to the delegates. We all welcomed the announcement of the development of Dublin Airport as a new hub for trans-global flights. Where does Brexit leave the airport in terms of its ability to compete with the likes of Heathrow Airport?

In terms of freight transport, my colleague, Senator Paul Daly, has already referred to roll-on, roll-off operations. If we were to develop deep sea ports in Waterford and Cork for direct access to the European Union and the Continent, what sort of competitive advantage or disadvantage would it place members of Freight Transport Association Ireland at? Is it likely to cause them more trouble than taking the landbridge route? Mr. Flynn spoke about goods depreciating or suffering from being too long on the road.

Mr. Kevin Toland: I thank the Senators for their questions and, in particular, Senator Gerald Nash for his kind remarks on our development. I will respond to Senator Michelle Mulherin's question with Senator Nash's one on the open skies and liberalisation. The Senators have really got to the nub of it. It will not wait for Brexit. It will happen six to 12 months before it. If nothing is agreed, airlines will essentially be selling a service they cannot deliver because they will not know if those treaties and the single sky system will be in place. There will be massive

uncertainty. I share the concerns that have been articulated by Mr. O'Leary who is one of our key customers. If people move out of the UK, there will be fewer routes and that is where it will all start happening. In an airport, when we build something we have it and have to use it. If an airline has an aeroplane, it can fly it from anywhere to anywhere. We will start seeing a reduction in routes. That will be the first impact. It will start happening early next year. The second impact we will see will be for the routes that stay. It is a very technical matter. An EU airline can go from anywhere in the EU to anywhere else. They will have to start going back to old treaties and nominating airlines per country. There used to be only one nominated by each country. The cost of air transport has come down dramatically while the amount of air transport and connectivity is going up. We will see fewer routes and higher prices kicking in six months before Brexit. It will be very negative. Not all connectivity to the UK would disappear because it is a result of a combination of business, people going on holiday and people going both ways visiting family and relations. We would definitely see a step back, particularly in the regional airports which are a lot more dependent on UK provincial business which is very good business. An awful lot of trade is supported, even though the goods may go by road. Much of the trade and business is done by people going over and back and doing their selling in the UK.

Senator Gerald Nash asked about how it is likely to develop. We think this has been missed by the UK. It is a fairly common view as they get into the detail of a hard Brexit and the negotiations that one of the devils in the detail is aviation. As they get into that detail, they will realise that 50% of their travel is in and out of the EU; therefore, it will be badly impacted after Brexit unless they can get another deal. For us, we are right out there with them. There is a chart in the presentation materials I sent round which shows that. For France and Germany aviation is a big deal but is not the end of the world because 6% or 7% of traffic is into the UK. Who knows how they will look at that. They will weigh up selling Audi cars, BMWs, aeroplanes and other things; therefore, it will not be as important. It will be very dangerous. I do not think anyone has an idea how it will develop.

With regard to Senator Michelle Mulherin's question, aviation is in a very dangerous place because we do not have to wait for Brexit to see what happens. We will probably find out what happens next spring when some of the airlines will decide they will not do things. On top of that there will be a secondary impact for the airlines. If we take an airline such as Ryanair as an example, to operate within the Single European Sky a certain proportion of ownership has to be in the EU. After Brexit, the shares that are held by people in the UK in Ryanair could potentially disqualify it altogether from being an EU airline. There will be another area of complexity to manage. It is a very fast moving business. It operates on trying to be as simple and quick as it can. This will slow it down. It is not a state secret. Ryanair said last week that airports all over Europe are clamouring for planes. It will start basing planes elsewhere where it will have more certainty, where it can sell the flights and where it knows the business will be done.

I will address Senator Paul Daly's question. We have good air cargo facilities in Dublin and we have good facilities in Cork. We would be very open to looking at how we develop and support them. We need to bring on our new runway as quickly as possible because we are at 87% capacity between five in the morning and midnight. We need a longer runway so we are able to get to places like China, South America and further into Africa and Asia to develop new markets for the Irish economy, including trade going out, foreign direct investment and tourism coming in. We need to deal with and remove the too onerous conditions in the current planning permission which curtail our ability to operate the runway for air traffic for passengers and cargo and which also potentially curtail the development of the Irish economy. It is a significant issue but one we will happily work our way through in both Dublin and Cork.

Mr. Aidan Flynn: I will probably cover a couple of these questions together. Senator Paul Daly asked about options or alternatives post Brexit and worst case scenarios. There are 1 million roll-off, roll-on units sent from Dublin Port to the UK over and back each year. There are 690,000 lift-on, lift-off units out of Dublin Port over and back to the UK each year. There are opportunities to move from roll-on, roll-off to lift-on, lift-off, which suit longer sea journeys. It is very much dependent on the products. If there was a five-hour delay at Dublin Port going out and there was another five-hour delay going through the landbridge at another port, that is a ten-hour delay in total for that product. It would still be a day ahead of the ferry from Dublin to Zeebrugge. It will not suit all types of product.

In terms of deep sea ports, there is absolutely a necessity to look, investigate and support all the main ports in Ireland. There is an opportunity to take a leaf out of the book of main European ports such as Rotterdam and strategically work together to put a plan in place for future development. Ringaskiddy is awaiting the arrival of a new deep sea cargo shipment soon. The deep sea requirements probably open up different types of markets we possibly have not thought about. There are definite opportunities. The road links, infrastructure and all that type of thing need to be worked on. The motorway network between Dublin and Cork really supports that type of stuff and it is really good to see. There is a limit in terms of how quickly that can change and happen. There has to be forward planning because 5% of goods exported are by air freight, which is 35% of the volume. It involves high volume goods and options. A new runway will definitely aid expansion plans with regard to that type of thing.

On the question of a hard border, I spoke about our accreditation programme in my introduction because we are really committed to trying to professionalise and upskill the logistics industry at all levels. There is a skills shortage. The average age of a truck driver is 54 years of age. There is a struggle to get young people engaged in the industry at all levels. This is the stuff we can do now and get supported by Government and the private sector because there is a willingness to do it. There are opportunities in the new apprenticeship programmes in terms of apprenticeship diplomas. An apprenticeship truck driver programme has been in the pipeline for a number of years and is nowhere to be seen. These things need to be implemented now to help us be much more competitive in this post-Brexit era.

In respect of the issue of a hard Border, without doubt, technological solutions are the way forward. I am convinced there will not be a hard border because there cannot be a hard border. In Donegal and Sligo, in respect of the opportunities if there was one, it is much easier to focus on developing the road infrastructure from Killybegs through Sligo and linking it up with the motorway in Mullingar and so on, but that route in itself would add a couple of hours on to the journey for people. Even with technological smart solutions in customs and so on, goods vehicles will have to be checked. Having spoken to customs and having seen its presentation here, I do not know whether it will be 8% or 10% or whatever the volumes are, but what is key is customs taking a 24-7 approach. When we are looking at expansion within ports, the support and linkage, be it between An Garda Síochána, customs, port officials and everything else, should be all geared up to an efficient programme of delivery and support for the logistics sector. That links in with our call for a Brexit Minister or a future supply chain or logistics Minister. It is vitally important that even from the private sector perspective, it is one port of call.

There is very little engagement from the current Minister for Transport, Tourism and Sport. We would have a very good working relationship with officials in the Department of Transport, Tourism and Sport and provide lots of information to them. Freight Transport Association Ireland has an office in Brussels and we have met the permanent representative in Brussels and

Department of Transport, Tourism and Sport officials in respect of this; therefore, we are very open to working with different Departments. If one is looking to go to one Department after the next, the message will get lost. No trust is built up. While one is representing one's members or bringing members like the Kerry Group, Glanbia, DHL or the DAA to these meetings, are they impactful enough? There is a great opportunity for us to have a logistics chain that is respected worldwide through making those decisions now, which will be very positive. I think I have covered all the questions.

Mr. Kevin Toland: As I neglected to answer the Acting Chairman's question, I apologise. We built Dublin Airport and it is now a very successful airport. We are now 14th in connectivity across Europe and 12th in terms of size. A key feature of that has been building long haul, particularly the gateway to North America. This summer, we will be the fifth most important gateway to North America, which we are very proud of. We think there are great opportunities to keep building that. We will grow by over 20% this year. In the Middle East, we will grow by about 14% or 15% this summer. We are working very actively and hard to advance further connectivity, especially to China where we would be very hopeful of that coming through. One key linchpin of it all is people transferring through Dublin to UK provincial towns and cities. I remember how back in my food days at the time of the foot and mouth scare, I realised that food was not that important at the time in the UK but was very important here. Our reaction and our success in managing that was directly down to the Government understanding it, bringing the industry together and dealing with it. There is a similar issue in aviation. Frankly, I do not think it matters as much in the UK. One can see this if one looks at the way the UK has allowed its air capacity to be gridlocked for 40 years and has just now taken the decision on Heathrow. This summer, a person can fly to 24 or 25 UK airports from Dublin, while they can only fly to seven or eight from Heathrow or Gatwick; therefore, the UK has allowed itself to become unconnected. In developing business with China, believe it or not the UK had a quota on the number of flights from China. It has woken up following the Brexit vote. This is a cautionary note I would add. The UK has quadrupled the number of flights that can come in from China. I still do not know why it would have a ban on it. It is still a big opportunity for us but we will face many threats. The UK is more active and there are more flights from China. The UK is spending more money on regional tourism and has taken the decision to move on with Heathrow after 40 or 50 years of gridlock.

The other question I did not comment on directly concerned what we are doing about it. We have not had direct contact with the Minister for Transport, Tourism and Sport. We have worked with his officials. The Minister has set up a national civil aviation development forum that provides some of the interfaces. We are extremely active. I have met at the highest level in Europe with the permanent and elected officials who handle both transport and aviation. In fact, I had the privilege of briefing the gentleman responsible for aviation, Filip Cornelis, two weeks ago in Cork where we welcomed a number of aviation people to a forum. Commissioner Hogan and his office have been very supportive. We have also worked through IBEC and the Airports Council International. The really important thing is, as Mr. Flynn suggested, a joined-up message, knocking on all the doors and making sure it is well understood. Even if people are waking up late, our perspective is that we cannot be active enough.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Flynn and Mr. Toland for coming and giving of their precious time. They have certainly given us a lot of food for thought. The committee continues to sit over a number of weeks. If there is anything the witnesses feel they would like to add, they should feel free to contact the secretariat.

Sitting suspended at 12.15 p.m and resumed at 12.20 p.m.

Engagement with All-Island Bodies

Acting Chairman (Senator Gerard P. Craughwell): I welcome Ms Sharon McMahon and Mr. Barry Fox from the Loughs Agency, Mr. Brian Kavanagh from Horse Racing Ireland and Mr. John Comer and Mr. John Enright from the Irish Creamery Milk Suppliers Association, ICMSA. This will be a very interesting session with a range of issues to consider. We are particularly interested in hearing from the all-island bodies in respect of the following questions: What do the witnesses believe to be the greatest challenges to the areas for which their organisations are responsible? What are the potential solutions? What impacts do they expect on their organisational structures?

We were delighted that Mr. Comer and Mr. Enright were able to join this session. A couple of weeks ago, a number of delegates discussed the main areas in the agriculture sector. The segment represented by the ICMSA was, however, missing. We are grateful to them for filling in that gap today.

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

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

I invite Mr. Kavanagh to make his opening statement. After the opening statements, we will open the floor to questions.

Mr. Brian Kavanagh: I thank the Acting Chairman. I am grateful to the committee for the time and attention given to our quite considerable concerns.

It is no exaggeration to say the Irish and British racing and breeding industries are among the most integrated sectors of all sporting and commercial activities in these islands. Ireland relies heavily on Britain to buy our horses. The export of thoroughbreds is estimated to exceed €220 million per year, with 65% of the foals born in Ireland every year exported. Some 80% of these exports go to Britain. By any measure that is a substantial sector. When it comes to exporting our racehorses, especially those destined for the jump racing market, there is no replacement market for Britain. Unlike many other Brexit-hit sectors, we simply cannot adapt our product to suit new markets. Royal Ascot, Cheltenham, Aintree and Epsom cannot be replicated in another country.

As it stands, Britain relies heavily on Ireland to supply the racehorses it needs to operate its racing industry. Ireland and Britain have always been at one, and any uncoupling of our relationship would be very damaging to British racing and catastrophic to an Irish racing and breed-

ing industry worth over €1 billion per year to the economy. In effect, we are twin industries, joined at the hip, with horses, trainers, and riders regularly moving between both jurisdictions. This was illustrated only last weekend when Aidan O'Brien's Tipperary-trained horse won the Epsom derby ridden by young Pádraig Beggy from Dunboyne in County Meath. It was the seventh Irish-trained winner of the Epsom derby in the last ten years.

With Britain overwhelmingly our main market, the sector here is considerably exposed in the event of a hard Brexit. Last week we attended a meeting with representatives from the British Horseracing Authority and France Galop in London and found, reassuringly perhaps, that our fears are shared by our international counterparts. The key issue is the free movement of racehorses. This has been secured between Ireland, Britain and France since the early 1970s and has underpinned the racing and breeding industries in the three countries for the last 50 years. It is a tripartite agreement between the three ministries of agriculture that works exceptionally well, and it is essential that the *status quo* remains. Once a horse is registered with a racing authority in one of the three countries, it is entitled to move freely between them without need for veterinary examination or inspection. The horse racing industry has a reputation at EU level for the highest animal welfare standards, but any restriction to the free movement of horses challenges those standards.

Horses are not commodities like agriculture produce and cannot wait at ports or borders. There are an estimated 10,000 horse movements between Britain and Ireland a year, with a weekly average of 200 horse movements. The implications of a hard border would be severe for both people and horses. Nobody in the racing industries in Ireland, Britain or France wants to face the logistical challenge of moving horses through border controls and checkpoints. Thoroughbreds are highly sensitive animals, bred for centuries for their flight response, and horses in training are young athletes at the peak of their fitness. Any Brexit-induced delays that increase time stuck in horse boxes in queues at ports could prove extremely difficult for trainers and their staff to manage. This would have an impact on the horse's ability to perform to its maximum potential on the racetrack.

Irish horsemen and women have been world leaders in racing and bloodstock for decades. There is no other sport in which we have excelled at such a high level for so long. In Cheltenham this year, there were a record 19 Irish-trained winners. More than two in three races were won by horses trained in Ireland. At Royal Ascot last year, one in three races were won by Irish-trained horses, and almost two in three of the winners were foaled in Ireland. Proximity and ease of access to racing in the UK is a key element in these achievements.

While the sport of horse racing is one of Ireland's greatest and most enduring pastimes, it is also the shop window for a key agriculture industry with a huge rural reach, which has a proven ability to provide rural employment and inward investment in every nook and cranny of the country. It is estimated that 14,000 people are employed in our industry. It generates economic activity of up to €1 billion per year, as I said. The bloodstock industry needs a shop window, and whether it is Cheltenham, Aintree, Epsom or Royal Ascot, at many key points of the year that shop window is in Britain. Britain hosts some of the most prestigious horse races in the world and is a proving ground for the Irish racing industry. These meetings are currently easily accessible to Irish trainers, owners and horses. It is also a matter of continuing to attract foreign direct investment. The ready and easy access to British racing is attractive to overseas investors to base their bloodstock in Ireland. Any impediment to that access would be an obvious disincentive to owners keeping their horses in Ireland to be trained or bred, nor can we rule out the future possibility of Britain introducing incentives for its own industry over time.

Our industry enjoys a lot of natural advantages of climate and soil structure, as well as a natural affinity for horses among the people, but Brexit does expose our geographical vulnerabilities. The east-west border provides its own set of concerns, but here on this island, we have major worries over any hard Border between North and South. I understand that is the focus of the committee today. Horse racing and breeding is essentially an all-island activity. Racing has always been operated on a 32-county basis. Foals born in County Tyrone in Northern Ireland carry the (IRE) suffix after their name in the same way a foal born in Cork or Wexford does.

Two of Ireland's 26 racecourses are in Northern Ireland and would be located outside the EU post-Brexit. Downpatrick and Down Royal are two highly progressive and popular racecourses and although located in the North, they are very much part of the Irish racing industry. To emphasise just how much they are an essential part of the fabric of Irish racing, nine out of ten horses racing at those tracks are trained in the Republic of Ireland. Down Royal and Downpatrick receive capital development grants and prize money support from Horse Racing Ireland and the racing industry in Northern Ireland is unanimous in its wish to remain part of the infrastructure here. From an administrative perspective, the complications increase when one considers that all trainers in Northern Ireland are licensed by the Irish Turf Club and races are staged under Turf Club rules. As I stated, foals born in Northern Ireland carry the (IRE) suffix rather than (GB).

Anything other than the current integration and ease of movement for people and horses will have significant negative consequences for Ireland – be that between North and South of Ireland, or west to east between Ireland and Britain. We seek the committee's support to protect what is a significant indigenous industry and Mr. Mullin and I will be happy to address any questions it may have.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Kavanagh, whose presentation exemplifies one of the problems with Brexit. It is an industry that most people in the country know about but very few are aware of the impact that Brexit would have on it.

Mrs. Sharon McMahon: On behalf of the Loughs Agency, I thank the committee for giving us the opportunity to present to it. I am accompanied by Mr. Barry Fox, director of aquaculture and shellfisheries, who is based in Carlingford, and Dr. Patrick Boylan, senior biologist, based in our headquarters in Prehen. I realise the committee has a long day planned and therefore I will keep my comments brief. If it requires any further information regarding the work of the agency or if it wishes to visit us as part of its work, we would be delighted to welcome members to our headquarters on the banks of the Foyle or our offices on the shores of Carlingford Lough. The committee may be interested to know our unique legislation, which led to the creation of the Loughs Agency, predates the accession of either the UK or Ireland to the European Union. The Foyle Fisheries Acts of 1952 were strengthened by the Good Friday Agreement, whereby further functions were given to the agency.

Unfortunately time does not permit me today to describe the work of the Loughs Agency in detail. The committee might be glad to hear that. However, I would like to highlight the remit of the agency, which is to conserve, protect, manage, promote and develop the inland fisheries, aquaculture matters and marine resources, including marine tourism, of the Foyle and Carlingford areas for commercial and recreational purposes. We manage over 3,600 km of rivers and are responsible for both sea loughs, including an area extending 12 miles out to sea from Lough Foyle, stretching from Malin Head in Donegal to Downhill in Northern Ireland. We are funded 50:50 North and South and we operate under agreed governance and statutory obligations through the North-South Ministerial Council. We employ staff both in the North and the

South. We work to two sets of employment laws and tax regimes. Our board has 12 members, comprising six southern appointees and six northern appointees, all working together for the success of the organisation. We are truly a cross-Border body in everything we do.

In addition we are involved in many partnerships locally, nationally, and internationally, and we work on an all-island approach within our field of expertise. The agency has relationships across many sectoral pillars with councils, community groups, the private sector and other statutory agencies on both sides of the Border. This is how we operate on a daily basis and it is our core business to work across the two jurisdictions day in and day out. For example the agency's fishery protection staff have the power to act in both jurisdictions, allowing them to pursue prosecutions on the basis of domicile of the offender, irrespective of the jurisdiction in which the offence occurred, within our catchment areas.

This experiment in cross-Border co-operation and goodwill, which commenced in 1952, has stood the test of time and is still in use today and will be post-Brexit. Our uniqueness, as indicated, exists primarily because fish, poachers and pollution do not recognise borders. As a consequence, we must highlight that it is imperative that we continue to protect our natural resources in the Border counties. At this point we are confident nothing will change in terms of our legislative framework post-Brexit, although that said, the UK's withdrawal from the EU is potentially one of the biggest threats to the environment in the medium to long term. Before Brexit the UK transposed EU directives into national legislation but we are unsure how this will work in the future. We are concerned that as time passes and amendments are made to EU and UK legislation, both will fall out of sync. Environmentally speaking, this is quite troubling. Depending on the eventual deal agreed, the UK may have to abide by at least some EU legislation, including environmental directives.

Over the years the Agency has delivered a number of INTERREG-funded projects. IBIS was a hugely successful project between Ireland, Northern Ireland and Scotland and this project has made a significant contribution to the region's responsibilities under the water framework directive and the habitats directive. EU funding has contributed to cross-Border infrastructure projects at Malin Head, Benone beach, and the Foyle marina in Derry-Londonderry. We are conscious of the fact that if funded programmes are no longer available, the tourism sector in the Border areas may be negatively affected. Northern Ireland and Ireland's Border region will require a focused solution. Ms Gina McIntyre, the chief executive officer of the Special EU Programmes Body, SEUPB, in her statement to the committee referred to the fact that this is not something new in Europe, as precedents exist where non-EU countries partner EU countries. We are heartened by this and will be in contact with SEUPB to explore these issues further.

As members might imagine marine tourism-based activities are a key aspect of our work now and will continue post-Brexit. The committee may not be aware, unless there are some active anglers in the room, that we have a great opportunity in the Border corridors to develop some of the least known, undiscovered and yet best sea, coarse, match and salmon fishing in Europe. This could bring much-needed tourism and economic development to local businesses and communities while addressing unemployment and social deprivation in the Border counties. We are exploring the need to have a dedicated cross-Border intervention programme that will tackle some of the existing issues and might help to mitigate against future issues, as they arise. We are already working on many projects, Dr. Boylan can provide further information on if the committee so requires. It is essential we continue to promote the "island of Ireland" as a destination for world class marine and freshwater tourism, including angling. We have a joint initiative with Inland Fisheries Ireland and the Department of Agriculture, Environment and

Rural Affairs inland fisheries division to promote angling on an all-island basis aboard. We go to events abroad under the banner of angling Ireland rather than the Loughs Agency; essentially, the three bodies go as one. This work will continue to be developed post-Brexit.

Our plan is to continue to build on our past successes. We have been working cross-Border since 1952 and post-Brexit this will not change. The agency will proactively continue to forge strong relationships at international, regional and local levels, reminding Government agencies that we are the delivery mechanism for many diverse issues from marine tourism, angling development, environmental conservation and protection and many more matters that require transboundary co-operation on the island of Ireland. At this time there are many unknowns and uncertainty appears to be the biggest threat to the Border regions. The all-island dialogue on Brexit and other such events are bringing together local and central government agencies, the private sector and community groups. They are providing a great forum for debate. These must continue and the Loughs Agency has welcomed the chance to take part in these dialogues including the invitation to attend this meeting with the select committee.

We trust members have found this presentation informative and helpful in setting out our concerns and solutions to the implications of Brexit. As a closing point may I reiterate the fact that fish, poachers and pollution do not recognise borders; poachers and pollution will thrive on ineffective legislation, chaos and inertia. The Loughs Agency is committed to its core work, as it has been since 1952, and this will continue post-Brexit. I thank the Acting Chairman and members for listening and we welcome questions they may have.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mrs. McMahon for what was an extremely positive view of where we are going post-Brexit.

Mr. John Comer: I thank the committee for giving me the opportunity to address it. It is extremely important that elected representatives of people hear from those who will be directly affected in a negative way by the decision of the UK to leave the European Union. It is valuable to have the opportunity to eyeball those people in order that we can carry a message back to ordinary civil society and our members that there are people in charge, they have a plan and inertia will not become apparent in the vacuum as we wait for the trade deal. That is of fundamental importance. It is possible that there will be some repetition as people suggest what should be done and speak about the opportunities available. While I do not intend to read through the document we have submitted to the committee, I will verbalise some aspects of it.

The Acting Chairman has mentioned that other farm bodies have attended meetings of this committee. I will set out the perspective of the ICMSA, which represents a large body of the product produced on this island that needs to be exported from this island. When milk quotas came to an end in April 2014, we were producing 5.5 billion litres of milk. That has since increased to over 7 billion litres. The vast bulk of our milk exports go to the UK, which is the fifth largest economy in the world and the second largest economy in Europe.

I have come from a conference in the Mansion House this morning at which the future of Europe was discussed. The UK must be part of Europe, even if it is leaving the EU. Any negative effect of Brexit on trade will have a pronounced negative effect on rural communities. Brexit will reach into every parish in Ireland. That is why it is important to point out the significance of building alliances. This is a major point. I appreciate that the Government is doing its best in this regard. We must take every opportunity to reiterate the importance of building alliances with the powerbrokers in Europe with the ultimate aim of achieving a pragmatic trade agreement that caters for the free movement of goods to the UK without tariffs. That is ulti-

mately what this is about.

I remind the committee that 60% of the cheddar produced on this island goes to the UK. Bord Bia needs to be funded. If it had all the luck and all the money in the world - even if it had magic powers - it would not be able to find new markets for such quantities of cheddar. Over 100,000 tonnes of cheddar products leave this island each year to be used by consumers in the UK. We face a phenomenal challenge in this area.

We need to build an alliance with the main powerbrokers in Europe, including Holland, France, Germany, Spain and Italy. Holland has over €6 billion of trade with the UK. Ireland is second in this league table. The equivalent figures for France, Germany and Spain are €4.5 billion, €4.75 billion and €3.5 billion, respectively. If we can work with such countries to emphasise that a good deal for the UK is also a good deal for the EU, we will go a long way towards alleviating the potential negative impact of other countries that are trying to make an example of the UK and making sure there is no contagion.

I would also like to speak about currency volatility. Although the currency is relatively stable at present, a small shift would have a huge impact at primary production level. I think we need to plan for such a shift. The Government needs to put policies in place at national level to mitigate such an eventuality. We strongly suggest that a farm management deposit scheme should be facilitated by our elected representatives. They should build momentum with the Government so that this single measure is put in place as a tangible tool that can be referenced as something to mitigate the pronounced volatility that has come into the agritrade sector over the past three or four years, particularly since the Brexit referendum.

Bord Bia and other marketing agencies need to be strengthened so that markets can be diversified. There also needs to be an examination of what the potential outcomes will be. This is a fundamental point. How much will we need to invest in the UK? Will such investment be a waste of money? Can we invest there? We need to be able to make conscious decisions on a commercial basis that it is worthwhile to spend money in the UK now. I suggest politics has a responsibility to minimise the vacuum that currently exists in this regard. Politicians should try to give a steer and a direction to all our industries so that they know where the smart money should go. I know it is not simple.

I would like to comment on the trading relationship. If there is no agreement, the WTO arrangements will come into effect by default. As an imperative, we need to take part in negotiations on a transitional agreement along with the Brexit talks. If we do not take this approach, environmental and production standards will get lost.

I strongly believe one aspect of the trade deals makes no sense. Under the CETA trade deal that was agreed, 45,000 tonnes of beef will come into a Union of 28 member states. Even though we are about to lose 64 million consumers, the trade deal that provides for tariff-free tonnage is coming in just the same. Negotiators are negotiating another Mercosur trade deal with the South American bloc. We need to be cognisant that this deal incorporates 64 million consumers who will not be in the EU when it comes into force. Politicians need to suggest forcefully that the dynamic needs to change.

Every elected representative should reinforce the point that an adequate Common Agricultural Policy budget is needed to facilitate the family farm structure across Europe of which we are all so proud and which consumers say they want. By the time this structure disappears, it will be too late for consumers to do anything about it. There is a responsibility on us to uphold

this imperative.

The point made by previous speakers about the possibility of a hard border on this island has implications at local level. There are dairy farmers along the Border who will have cows grazing in the top paddock, which will be in the EU, and other cows grazing in the bottom paddock, which will be in a third country. The physical implications of that are unthinkable. Milk trucks make approximately 32,000 journeys across the Border annually to facilitate the processing of 26% of Northern Ireland's milk in the Republic. Some 11,543 cattle have gone across the Border so far this year.

The ICMSA has been referred to as a representative body for the dairy sector. I want to put the record straight on that one. There are 1.2 million dairy cows in the country. That is more than the number of beef cows. They all end up in the beef market. They are ultimately processed as beef. Therefore, we represent over half of those involved in beef production in this country also.

I did not bore the committee with the statistics because members are very familiar with them. I make no apologies for impressing on everyone here the need to mitigate the implications of Brexit. I will not get tired of making the point that as far as I can see, Brexit has no positives for rural communities or parishes. It might have the odd positive for urban areas, but not for rural communities. I thank the committee. I will be happy to take questions from members and interact with them.

Senator Paul Daly: I thank the delegates. I will begin by responding to Mr. Comer. We are all singing from the same hymn sheet. This thing was imposed on us. In fulfilling our duty to form a report, we must look at every inevitable outcome. If we could write a wish list for the report setting out everything we want, it would be in accordance with everything Mr. Comer has said. I agree fully with it all. Unfortunately, there are two sides at the table when negotiations are taking place. Ireland is just one of the 27 member states on one side of the table. We will not know until Friday whether it is Theresa May who is at the other side of the table.

Mr. John Comer: It could be Jeremy Corbyn.

Senator Paul Daly: I would like to pre-empt every question I am about to ask by saying that like the delegates, we are hoping for the best. I mention that in case I am portraying this committee as the ultimate in pessimism. We want the best outcome, but we have to plan for the worst-case scenario. I would like to tease out with the witnesses a few issues that might arise if the worst-case scenario comes to pass.

The all-island bodies are unique. It is appropriate that the ICMSA is represented here today, rather than at the meeting which was attended by representatives of the other farming bodies, because the milk sector has more of an all-island dimension than other parts of the farming community. As Mr. Comer said, millions of litres of milk cross the Border each day. Milk is brought from the South to be processed in the North and *vice versa*. Country of origin issues, etc., will arise if we end up with the worst-case scenario of a very hard Border. What contingency plans have the all-island bodies put together collectively to cope with such a scenario?

Mr. Kavanagh knows where I stand on horse racing. It is a passion and love of mine. However, when the real negotiations start, while we are joined at the hip with France and the United Kingdom and those of us into the industry and the sport recognise its economic value, how high up the pecking order does Mr. Kavanagh think it will be in view of the fact that the vast

majority see it as a sport? They do not see the economic aspect or know the figures involved. We know about the tripartite arrangement with the French and the British, but from where is the British Horseracing Authority, BHA, coming? Is it as big a priority for it? I know that it is for its members personally. However, is Mr. Kavanagh getting feedback from them as to where in the pecking order of priorities on the UK side it will slot in? In the worst case scenario, if we end up with a hard Brexit and a hard border, from the viewpoint of Downpatrick and Down Royal racecourses, could he envisage - I know that he will not want to see it, but the fact is that Irish money is going there to be used as prize money and provide grants - these two racecourses ending up within the remit of the British Horseracing Authority? While some side arrangement may be made, they may ultimately have to race under BHA rules. For example, the whip rule is different. From that point of view, I am trying to tease out where we are and where Horse Racing Ireland would be as an organisation in a worst case scenario. We are all hoping for the best case scenario.

With regard to fisheries, environmental standards were mentioned. Brexit was sold in the United Kingdom in a lot of quarters. Money aside, there were fantastical promises made about where the money being sent to the European Union would be invested. One of the key sales pitches in the electoral manifestos at the time was that the United Kingdom would not have to keep European standards any more. We know that that was not thought through. Let it be with tariffs or free trade, if it intends to export product to the European Union, it will not be accepted unless it maintains standards. That has been said. If there is a query or standards are questioned, the worse part will be determining where one should go if there are two jurisdictions. There will be two governing bodies. If there is a pollution problem on a river that transcends the Border and it started in the North, one will have to go to one agency. However, if it is flowing downstream, one will have to go to another. If the delegates could write the agreement, how would they foresee a solution to the monitoring problem on the whole island.

To tease this out, with a view to making recommendations in our final report, we had a number of groups here who touted the idea of special status for Northern Ireland. That would be a big help for the three organisations represented which are working on an all-island basis. It would eliminate the prospect of a hard border and we would have an east-west border. While that might solve a lot of problems from the point of view of racing, as well as of water management and fisheries, we would then have a situation where Northern Ireland, although we might have the same status, would still be part of the United Kingdom. The farmer south of the Border would be in the European Union. If the deal goes ahead, eventually the United Kingdom will be out of the CAP; therefore, one farmer would be within the CAP and the other outside it. In a worse case scenario there would be a WTO tariff on product from Monaghan, but in Fermanagh it would be a UK product. In the agricultural model how much thought has been put into what a lot of people are touting as a bloody great day were we to achieve all-island status. It is only my opinion - I am teasing it out for the purposes of our report - but in terms of the farming model, in particular, it would open a whole new can of worms and be a nightmare. I would like to hear the delegates' opinions.

As I stated, we are all on the same page. I am with the delegates 100%, but, unfortunately, we are in the position in which we find ourselves and it was not of our making but of the United Kingdom's making. If the negotiations go sour, we must have a contingency plan for the worse case scenario.

Senator Michelle Mulherin: I thank the delegates for their presentations. My question is for the delegates from the Loughs Agency. To understand how things work now in taking

prosecutions for poaching and pollution, where are they pursued? How is that matter decided? Is a line drawn on a map of the lough? Does the agency decide whether prosecutions will be taken in courts in Northern Ireland or the Republic of Ireland? How is that established? Is there fluidity in that regard? Can the agency decide where cases should be prosecuted?

I have a question for Mr. Comer on the low interest agri-cash flow support loan scheme which was introduced by the Government. There was €150 million available and in the space of 22 days the scheme was oversubscribed. Would the ICMSA consider repeating it as part of a solution? I would appreciate some feedback from Mr. Comer.

On the CAP, as Mr. Comer pointed out, there will be less money available because Britain will be outside the European Union. How will this impact on the dairy sector? From the point of view of farm payments, there will be less money in the pot. It seems there will be less money to go around. Has Mr. Comer's organisation evaluated the possible impact? What is his organisation suggesting? He spoke about the farm management deposit scheme as a buffer to prevent volatility in the commodity price. Perhaps he might give us his views on the matter.

Mr. Comer did not mention the farmer who is in a weaker position in the chain of supply. Farmers are price takers; they do not set the price. Whether it be the multiple retailers or international markets, the farmer is the vulnerable person. We know that in milk prices for a while farmers were challenged to meet the actual cost of producing milk as the price was on the floor. Mr. Comer did not mention it in his presentation, but there have been suggestions from different sources about how the relatively weak position of farmers could be addressed and how they could be supported. Not only is it demoralising but it is also financially unsustainable to be in that position.

Acting Chairman (Senator Gerard P. Craughwell): Senator Paul Daly wished to come back in.

Senator Paul Daly: I have one other question which I inadvertently forgot. It is targeted more at the Loughs Agency and Mr. Kavanagh from Horse Racing Ireland. The delegates from the Loughs Agency mentioned selling the island on an all-island basis for angling. This also relates to Mr. Kavanagh reference to the Irish champions weekend and other such events. Are they noticing any scepticism or negativity? Are people asking more questions about where they will be one year down the line? Are they noticing - I hope not - a drop-off? We had representatives of Tourism Ireland here who said people thought about and started to plan holidays and trips one year in advance. None of us knows where we will be one year down the line.

Acting Chairman (Senator Gerard P. Craughwell): I will wrap up the questions, if that is okay. I will start with the Loughs Agency. The legislation is quite dated. It dates back to 1952. There is underpinning in the Good Friday Agreement. Is the Loughs Agency satisfied that the legislation is robust enough to meet its needs now? It is funded on a 50:50 basis. In the event that there is a hard Brexit and the funding dries up or the balance of funding changes, does the agency have contingency plans in place?

My final question which has been adverted to by some of my colleagues relates to the differing standards that may apply post-Brexit. I have the same question for Mr. Comer and Mr. Kavanagh. What plans have they put in place for market diversification? In response to Mr. Comer, in particular, I am mindful of the cheese industry in Ireland and of cheddar being a major part of that. It has a tiny market, albeit of 64 million people but that is a tiny market in the global scheme of things. There is no alternative I know of for cheddar, which is a problem.

Having been at Bord Bia's Bloom showcase this weekend and having watched some of the artisan cheese producers in this country, they are to be commended. Some of the cheeses on sale there at the weekend and some of the agricultural produce in general was fantastic. Again, however, I worry about diversification.

On the issue of diversification in the horse racing industry, horse racing is huge in Australia, in the Arab states and in the United States. Why are we relying solely on the UK for the export of billions of euro worth of race horses?

The function of this committee is to seek out solutions. In every meeting in which I have been involved, I have heard the problems reiterated over and over again. In every European-based meeting in which I have been involved, I have been reassured, as late as at the COSAC meeting in Malta last week. At the end of his speech, Mr. Barnier singled out Ireland and the problems associated with Ireland and gave reassurances that every step would be taken to maintain the current situation. Professor Hübner, Chairman of the European Parliament's Committee on Constitutional Affairs, made exactly the same point at the end of her speech.

We constantly hear in this country that the British are favourable to the Irish situation and the British constantly say that they are favourable. I want to ask the delegates if they are confident that with all of this talk, things will work out on the night? Is there something we are missing out on or are not doing? That applies to all three agencies represented. I have a particular fear for the agriculture industry and, as of today, for the horse racing industry I had not previously considered. I am a city boy, for me milk comes in cartons. At the end of the day, however, when I look at the impact on the witnesses' markets and produce, I am told there is no real alternative market for our beef and that the Chinese market is not really there for it. We seem to have failed to capture the Chinese market for milk in the same way that the Latvians have, for instance. That concerns me. I am interested in the delegates' views.

I will finish with the Loughs Agency. How does the agency see the Good Friday Agreement providing a vehicle through which it might get more leverage to get what it wants out of Brexit negotiations? I thank the delegates.

Mr. Brian Kavanagh: There is a lot in that and many very good points. I will start with the Acting Chairman's point about dependence on the UK. We are a little like the beef and cheddar markets in that almost 50% of our production of thoroughbred horses is for what is called national hunt racing, or jump racing. While the Senator is right that racing is a worldwide activity, jump racing to any significant degree is generally confined to Britain, Ireland and France. That is the difficulty we have in recreating that market. It is an area we are particularly concerned about because while the WTO tariffs do not apply to animals sold for breeding purposes, which is some comfort for our bloodstock sector, they do apply to animals that are sold for purposes other than breeding, that is, geldings. These go to the jumps market in Britain, which is a significant market and we have a significant dependence.

As for the flat produce, which is the more global activity, Ireland has been very good at exploiting international markets and we need to do more in that respect. In recent years the Australian market has opened up for horses that are bred to run over longer distances, that is, stayers. The biggest race in Australia on the flat is the Melbourne Cup and four years ago, the first ten horses to finish in that race were bred in Ireland; therefore, there is a significant export trade. It is a competitive market, however, between France, New Zealand, Australia, ourselves and other countries. We need to work significantly in that area.

In response to Senator Paul Daly's question about what we are and could be doing, the point made by Mr. Comer earlier is very valid. We have to make alliances beyond Britain and we have been doing this. We have to make alliances in Europe at both political and, from our point of view, business level. We have had discussions with the three principal racing authorities in Europe: Britain, France and Ireland. I am pleased to say their interests are aligned. Further than that, we have engaged with all of the other racing authorities in 28 European and Mediterranean countries to ensure they are supportive of our desire to retain as much of the *status quo* as we can. While racing may not be a big industry in Austria or Belgium, they have the same effectiveness at EU level as Britain, France or Germany or some of the bigger countries. We have engaged with the racing authorities and they are writing to their Commissioners and Ministries for Agriculture about the requirement to maintain the *status quo*.

The system that has developed in the thoroughbred sector is very sophisticated and has been in place for 50 or 60 years. There is full identification of animals and very strict measures in the areas of full disease control and prevention, operated by the host racing and breeding authorities. All animals are registered in a registered stud book. They all have similar documentation between countries. The *status quo* is very good, particularly between the three countries that have this tripartite agreement, which means that if a horse is racing in France, it can just turn up at the port or airport and travel. That is a key area of activity for us and is our main priority. The free movement of animals needs to continue, if only from a welfare point of view, quite apart from any commercial aspects.

As Mr. Comer said, we do not see any positives in Brexit for our sector. One possible lifeline is the Northern Ireland link and the fact that racing is run on a Thirty-two county basis. As we operate a single stud book between Ireland and Britain, it is very difficult to unravel all of that. It is practically next to impossible and it would be stupid to unravel something that works very well. We have full alignment from the Northern Ireland authorities on racing, breeding and racecourses and they want the *status quo* to remain. They are fully aligned to our interests, as indeed are the British authorities. They do not want to get involved in operating horse racing in Northern Ireland. I hope that we can find some sort of solution in that area. The other area is the whole question of tariffs. As I mentioned earlier, we want a tariff-free trade to continue to operate between Britain and ourselves. There is some comfort on the breeding animals side of things.

Senator Paul Daly asked about tourism. We have not seen any negative effect so far. Our last big race meeting was Punchestown, which is of great attraction to international visitors. It had a record number of UK visitors. That is not to say that as the summer season unfolds there will not be an impact from the fact that it is now more expensive for British people to come and spend time in Ireland.

Overall, sometimes people view racing as the sport of kings and something of a marginal activity. In Ireland, however, through natural advantages and Government support down through the years, we have been able to create a significant rural industry. There is significant employment in rural economies where there might be no alternative employment. Alan Dukes did a study some years ago where he took four towns around the country, one for example being Bagenalstown in County Carlow. Within a ten-mile radius of Bagenalstown there were 450 full-time jobs in the horse racing and breeding industry, be they in feed suppliers, vets, trainers or stud farms. If someone created a factory with 450 people employed in Bagenalstown it would have a significant impact. This is largely fuelled by international investment. People invest in Ireland because our soil structure is good and our people are good with horses. We

ask the politicians to ensure that the voice of this industry is heard in the Brexit debate and that it is adequately protected. As I said, we are making the alliances we can with our international counterparts and we have confidence that our politicians and negotiators in Europe who are very skilled in this area, would also take account of something that is a great Irish success story and needs to be protected.

Some comfort can be taken from the fact that the British and French authorities are aligned in our interest. We are preparing a joint document to go to the European Commission on protection of the tripartite status of free movement of animals. However, it is a major worry for us. It is uncertainty that causes most concern to people.

Acting Chairman (Senator Gerard P. Craughwell): I will interject for a moment, if I may. One of the echoes going around in my head is what I have been told in Europe by European politicians and bureaucrats. They are all saying the same thing, “Please bring me a solution.” I ask the witnesses to comment on this. Does Irish politics have a solution to offer or are Irish politicians looking to the witnesses to give us a solution we can put in the bag and take over to Brussels with us?

Mr. Brian Kavanagh: I think it is a bit of both. I think we can give politicians the solution and more importantly, we with our British and French counterparts can give it to them. Politicians can go to Mr. Barnier with something that has the backing of three major players in the sector. As I said, our diplomats historically have been very skilled at getting the case across.

A huge amount of work has been done in our sector to develop a very sophisticated system whereby horses and people move freely between the various economies. It is a matter of routine. Half the jockeys taking part in any race meeting in Britain today will be Irish jockeys. Some of them are based here and travel over to ride with others permanently living in Britain and racing there.

On Friday in Portlaoise we will have a meeting with the Minister for Agriculture, Food and the Marine to have a sectoral discussion on the impact of Brexit on the equine sector. We are working with the British Horseracing Authority and France Galop with a view to preparing a single document outlining the preferred wish not just of Ireland but of Britain, France and the rest of Europe. I am told that Mr. Barnier is a man who wants solutions, as opposed to being given a list of whinges, moans and problems. I believe the solution is there largely with the *status quo*. The status of the UK within the customs union is a key issue in that respect. I suppose that will not be decided until after the outcome of the election on Thursday and when the negotiations start.

Mrs. Sharon McMahon: I will start with the Acting Chairman’s question on legislation. The Acting Chairman and other members of the committee have raised some relevant and in-depth questions on which we are working. To understand how we operate it is necessary to understand our legislation. While one might think that legislation from 1952 is dated, it has worked for 65 years. It was very forward-thinking at the time that the two Governments could sit down and come up with an organisation, the Foyle Fisheries Commission, to manage Lough Foyle, which was quite challenging at the time. While our legislation is dated, we constantly update it through by-laws. We work with the Attorney General in the South and with the Departmental Solicitor’s Office in the North. Our legislation was further strengthened by the Good Friday Agreement, which conferred other functions on the agency that made us even stronger.

I do not see our legislation as negative. I see it as very positive. For example, we can pros-

ecute cross-Border for an offence that has taken place in Lifford on the River Finn where the offender is domiciled in Strabane. We can prosecute him in Strabane even though the offence occurred in Ireland. We have had that unique legislation for 65 years. It has worked through the Troubles and still works very well today. It was very forward-thinking at the time and is amazing legislation, if one takes the time to look at it. We operate every day cross-Border; it is what we do. We are not naïve; we realise there will be challenges but we truly believe in our legislation. It has stood the test of time and we believe it will stand the test of time even after Brexit.

I will also address the question on the Good Friday Agreement. The Agreement conferred other functions on the agency, including the development of marine tourism and angling. The Agreement leaves us in a very strong position. We can be that vehicle to strengthen this even further in the Border corridors. If we have the funding from both Governments and the support, we could do much more work on the Border corridors.

We are funded on a 50:50 basis through grant-in-aid from the two Governments. That has been the case since 1952 and we have always been funded. We bid for our money like any other Government agency and we get it on a 50:50 basis. The EU funding will be a considerable loss to us. Our current headquarters was built using EU money. The IBIS project I mentioned and several other infrastructure projects used EU money. We are now looking at other streams of funding, including the heritage lottery fund in the UK. We are working with other local government agencies, such as councils, to develop projects. That is not just in the tourism industry but also in the field of science in which we work. We are positive. We realise there will be challenges but we are continually looking at contingency plans and a way forward for the agency.

To revert to the legislation, poachers and polluters do not recognise any borders. That was seen in 1952 and Brexit will not stop that in the future. The two Governments have worked together. The co-operation that existed in 1952 continues today in our day-to-day operations. We have quite a close relationship with the two Departments, North and South, based on the two sets of governance we work to and our statutory obligations. We work with the two Governments, the two sponsoring Departments and the North-South Ministerial Council to deliver our daily operations. Working cross-Border is second nature. We see the Good Friday Agreement as only going from strength to strength after Brexit. However, we will continually plan for the future.

I will ask Mr. Fox, our director of aquaculture and shellfisheries, and Dr. Boylan to answer the questions on environmental law and monitoring.

Mr. Barry Fox: With regard to complying with EU directives and obviously the cross-Border nature of the Loughs Agency, post-Brexit there will be no compliance with EU directives from the UK. While it is an unknown, our belief is that if the UK is to access the Single Market, it will have to comply with specifics from the directives. On the environmental side, we believe that should apply in the longer term.

We have not seen a drop in angling tourism. Ireland as a whole has a unique product to offer. We have some of the best coarse, game and sea angling in the world. While Brexit may create an issue for exports etc., I do not see it having a major impact on tourism and bringing people into Ireland.

I will let Dr. Boylan answer some further questions on potential changes in environmental law post-Brexit.

Dr. Patrick Boylan: One of the questions was on the differing standards with regard to EU directives. This is a concern to us in the agency and probably to the wider environmental organisations, particularly as it relates to the habitats directive and the water framework directive. We all work towards attaining good ecological status. The question post-Brexit is how that will work. We really do not know how it will work out, particularly if both of these directives have been transposed into national legislation. They are on the Statute Book in both the United Kingdom and Ireland but as time moves on and if the United Kingdom and European Union make changes to their legislation, they will go out of sync. How will that work? It is unknown at present. We are on various committees in Northern Ireland and Ireland with regard to the workings of the EU directives. At present, it is just business as usual. That is as much as we know. It is not as if we had a crystal ball.

Acting Chairman (Senator Gerard P. Craughwell): I thank Dr. Boylan and Mrs. McMahon and her team.

Mr. John Comer: I note with interest that the committee is seeking specifics and specific solutions. If only it were that simple. I must revert to the questions of what we can do and what we can do best. Senator Paul Daly referred to these. About two weeks ago, for example, Monsieur Hillairet, a significant agricultural representative in Europe, was suggesting France should insist on a hard border between the European Union and Ireland, effectively. What we need to do is set the record straight with these people. We counteracted that as an organisation and we must ensure that kind of sentiment does not get any chance to graft at all. To return to what Senator Paul Daly was saying, we have got to build the alliances and put out a big umbrella of diplomacy. We have got to try to come up with a final solution in terms of a trade deal that represents the *status quo*. I believe deep down that is also what the United Kingdom really wants. People in the United Kingdom representing the population got a result at the ballot box but they know that economically, socially and environmentally, they were better off where they were. It is a matter of not backing anybody into a corner and making sure that we come up with creative language to effect a deal that remains closely with the *status quo*. Even with a soft Border, there is no business for a low-margin business. In this regard, consider all those lorry journeys over and back. There is no business, even with a paper trail, and it imposes a cost on the industry, unless the consumer pays. I do not believe that is going to happen.

The Acting Chairman asked whether we are good at pointing out the uniqueness of Ireland. We need to move on to similarities, the common part of the European Union and why we should all be in this together to make a good deal for all the Union. We have nuances and differences but we need to strike a deal together.

I was asked specifically about cheese. There is no other market. The percentage is 60%, or 108,000 tonnes of cheddar, a massive amount. Simply put, carnage would be created in rural Ireland in terms of what was referred to by my colleague, Mr. Brian Kavanagh, namely, employment in the areas that are regional and outside the Pale. There is no way to dress it up and there is no point in putting forward propositions with solutions in this regard because there is none; it is simple. We have to face up to that, and people have to know the enormous impact and fallout we will experience unless we get a tariff-free arrangement. The solution, of course, is tariff-free access to the UK market. As I was saying in my presentation, even were Ms Tara McCarthy, the CEO of Bord Bia, to be given magic juice or serendipity juices to drink every day of the week, she could not find new markets. It would take ten years. It was not because of lazy marketing that we were trading so heavily on the United Kingdom; it was because it was the most lucrative market that was geographically closest.

Let me address Senator Michelle Mulherin's questions. With the permission of the Acting Chairman, I will ask my colleague, our CEO, Mr. John Enright, to address some issues I have probably forgotten. The Senator referred to the low-interest agricash. We were clearly on the record as saying that while low-interest loans are welcome, they should be the norm. It should not have to be brought around to 2.95%. Irish agriculture pays €80 million more per annum in interest than its counterparts in Europe. We should have the competition in Ireland. We should get the money at a much cheaper rate. We disagreed fundamentally in regard to the low-interest loans because they were associated with a crisis measure funded through the European Union. We felt that was not a reaction to a crisis at the time because the volatility, as the Senator rightly pointed out, resulted in a drop from 40 cent per litre down to 22 cent per litre. No industry could withstand that level of volatility and expect to come out financially fit at the end of it. What we did welcome and what is a new initiative in Europe that has got to be followed through on is the voluntary supply constraint. The Commissioner is open to making it a permanent tool. There was another €150 million spent on that. Immediately it was announced it had the capacity to bring the milk price back up to roughly 32 cent per litre, because there was more equilibrium in the marketplace. When one makes a business decision to put one's cow in calf, one has to wait nine months for the calf to be born and two years for it to come into the parlour. There is no way, with a product such as dairy, which has a three-year lead-in, that a farmer or businessperson can know the position of the markets in three years. Therefore, the free market will not work for agriculture. It never has and it is detrimental to the consumers. A nuanced approach such as the voluntary supply constraint was very welcome. Eventually it was accepted by the politicians, was very effective and worked.

I hope I have not left anybody out. I invite my colleague to contribute.

Mr. John Enright: I shall refer to Senator Paul Daly's comment on what we, as a country, can do for exposed sectors, such as agriculture, if we have a bad Brexit. Consider the circumstances of a bad result in March 2019, when Brexit negotiations are supposed to be concluded. At national level, we will have two budgets between now and then. It is important in those budgets that we consider measures to support the exposed sectors. We have proposed previously the farm management deposit scheme. In the past five years, probably, our members have seen milk priced at 20 cent per litre and 40 cent per litre. At 20 cent per litre, they are 8 cent per litre below the cost of production. If, come March 2019, we have WTO tariffs and currency volatility, the processors will simply pass the pain back to the farmer. That is the reality. We have nobody to pass it back to from our perspective. The next two budgets must address the sectors that are exposed under Brexit and bring in measures to try to support them. We feel the farm management deposit scheme is certainly a measure that can help our members such that they will have some support in the event of a very hard Brexit to try to maintain their businesses while, I hope, the issues are resolved.

Acting Chairman (Senator Gerard P. Craughwell): Just before we finish up, I refer to the reception the Irish situation got in Malta last week. While many people in this country believe very little is going on, I was amazed at the level of support we got from our 27 partners at COSAC, all of whom said they had their own problems but recognised the unique problem in Ireland. I encourage the witnesses to bring forward solutions as they see them. As Mr. Barnier said to us, it does not matter how ridiculous a solution sounds; it may just be the one that gets us over the line. There is considerable willingness on the part of our partners in Europe to find a solution to the Irish problem.

I wish the delegates well and thank them very much for their presentations today. The work

of this committee is ongoing. If the delegates believe at some stage they want to have an additional witness contribute, they should feel free to do so. We did not hear from Mr. Jonathan Mullin, but I thank him for attending.

Senator Michelle Mulherin: While Mr. Kavanagh is here, I acknowledge the significant contribution of the Ballinrobe races to the local economy where I am from and also to the social life of people in the region.

Mr. Brian Kavanagh: It is the best little racecourse in the west, but there is another one not too far away.

Senator Paul Daly: Where does one draw the line between the west and the midlands?

Acting Chairman (Senator Gerard P. Craughwell): We had better throw in Limerick and Galway racecourses while we are at it.

Mr. Brian Kavanagh: Members can see what I mean about regional reach.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Kavanagh very much. We look forward to hearing from him and sincerely hope things will start to work and that we will start to see clear plans emerging.

Sitting suspended at 1.30 p.m. and resumed at 2.35 p.m.

Engagement with Local Authorities

Acting Chairman (Senator Gerard P. Craughwell): On behalf of the committee, it is a pleasure to welcome so many local representatives to the Seanad. I understand the Ireland/Northern Ireland Border Corridor Local Authority Group comprises all of the local authorities on both sides of the Border. It is very important to all of us to hear about the issues and solutions its representatives identify for their constituents. We have heard a great deal about the potential impact of Brexit on Border counties and, as such, this is a key session in our work. The leadership the delegates have all shown should be commended. I also welcome the representatives of Dublin City Council. If not the first, Dublin City Council was one of the very first bodies to work methodically and in depth on the impact of Brexit. We appreciate very much the generosity of the delegates in sharing their learning with us. We will start with Councillor P. J. O'Hanlon and then move on to Mr. John Kelpie, Ms Joan Martin, Councillor Stephen McCann, Councillor Paul McAuliffe and Mr. Greg Swift. That will be the speaking order.

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. By virtue of section 17(2)(f) of the Defamation Act 2009, witnesses are protected by absolute privilege in respect of their evidence to the committee. However, if they are directed by it to cease giving evidence on a particular matter and continue to do so, they are entitled thereafter only to qualified privilege in respect of their evidence. They are directed that only evidence connected with the subject matter of these proceedings is to be given and asked to respect the parliamentary practice to the effect that, where possible, they should not criticise or make charges against any person or an entity by name or in such a way as to make him, her or it identifiable. I thank colleagues for coming and appreciate that some of them may have to leave early. If that is the case, they

should, please, feel free to do so at a time that is suitable. We will continue until we have completed the job we have come to do. I start by calling on Councillor P. J. O'Hanlon, cathaoirleach of Monaghan County Council, to commence his contribution. He is more than welcome.

Mr. P.J. O'Hanlon: On behalf of the Ireland/Northern Ireland Border Corridor Local Authority Group, I thank members for the invitation to address the Seanad Special Committee on the Withdrawal of the United Kingdom from the European Union. Our delegation comprises the chairpersons, mayors, vice chairpersons and chief executives of all of the local authorities in the Border corridor. It is not only a cross-Border delegation but also a community delegation. Its size reflects how important the issue is not just for local authorities but for all of us who live and work along the Border corridor.

There is no doubt that the Ireland-Northern Ireland Border area will be affected most by Brexit, after which the Border will become a gateway both into and out of the European Union. While the position remains uncertain, there is a strong indication that the United Kingdom will exit both the Single Market and the customs union. From discussions with MEPs, it is very clear that if that is the case, the European Union will need to protect its market and thus enforce controls at the Border, which no one wants to see happen. Controls at the Border will impact negatively not just along the Border but on the island of Ireland as a whole.

Local authorities along the Border corridor recognised very quickly after the referendum on 23 June 2016 that there would be an impact on the people of the region. They worked with local authority-led cross-Border groups, East Border Region, the ICBAN and the North West Regional Development Group to present a stronger and more coherent case on the impact on the Border region. It soon became clear, however, that despite there being different challenges and opportunities, depending on the area of the Border in which one lived, Brexit presented a common challenge for all of the people of the region. Without a government in Northern Ireland and with negotiations taking place between Brussels and London directly, local authorities felt it necessary to champion the needs of the Ireland-Northern Ireland Border region and the Border corridor response to Brexit began. The memorandum of understanding between Newry, Mourne and Down District Council and Louth County Council facilitated by East Border Region was a catalyst for our engagement and all Border councils readily came on board in November last year.

Our first task was to commission a study to begin to explore what the actual impact of Brexit might be along the corridor. This was not an easy task, considering the huge uncertainty about what Brexit actually meant. The Ulster University economic policy centre was appointed to undertake a piece of work on behalf of all Border councils to explore the risks, opportunities and issues to be considered. The study was completed in February and a major event entitled, Brexit and the Ireland / N Ireland Border Corridor: What next for Local Government and Business?, was held on 4 May in Lough Erne Resort. A total of 148 delegates from all of the local authorities and representatives of chambers of commerce were in attendance and the delegates endorsed a Border corridor approach.

Our aim today is to highlight the needs of the Border corridor and stress two overarching strategic points which emanated from our initial study of it, the first of which is that Brexit will impact on all aspects of the economy of the region. An economic border post-Brexit would be disastrous for it. Mr. John Kelpie, chief executive of Derry City and Strabane District Council, will outline the key elements of this contention. The second point is that Brexit will impact on the people and communities living in the Border corridor. The Good Friday Agreement must be protected during the Brexit negotiations, a point I cannot emphasise as much as I want to. Ms

Joan Martin, chief executive of Louth County Council, will present our findings in this respect. Councillor Stephen McCann, a member of Fermanagh and Omagh District Council, will provide a summary of the position in the Border corridor.

Mr. John Kelpie: It is a great privilege to represent the ten councils in the Border area, six on the Southern side and four on the Northern side. We represent more than 1 million people on the island. It is a true cross-Border and cross-community partnership. As advised, we have been collaborating for a considerable number of months and are beginning to understand the potential impact of Brexit along the Border corridor. More importantly, we have begun to move towards some solutions and potential mitigation that is most definitely required.

It has been very obvious for the last decade or so, in particular, that enormous progress has been made in Border counties. There has been huge economic development, considerable physical and environmental development and huge social change all along the corridor brought about not least because of the influence of the European Union and, of course, the national governments of the two jurisdictions. It is very clear, however, that Border council areas and the Border region, in particular, still lag behind national or regional averages in terms of productivity, labour participation rates and household income. There are quite a few very negative indicators that have stubbornly refused to move during the years. Some of this can obviously be explained by peripherality and poor connectivity. It is also a feature of the fact that the economic structure in the Border region and the differentials for companies across it are unique. The sectors within which the firms operate are unique in terms of their size and ownership. While there are differences across the region, there are some very common issues that we wish to explore with the committee.

It is our contention that Brexit will impact across the piste on matters such as trade, migration and particular sectoral areas such as agrifoods and fisheries and also very much on inward investment. We are already beginning to see a very significant impact in terms of delayed investment. In particular, we forecast an impact on trade between the two parts of the island. That is an obvious statement, but some of the figures we will share with the committee will show the level of integration in Border areas. In the agrifood and fisheries sector, as well as transport and logistics, some of the figures are quite startling.

On trade, more than €3 of every €10 worth of exports from companies in Southern Border areas goes to the United Kingdom. The United Kingdom is the single biggest market for firms in Border counties, after the rest of the European Union. It is a bigger market than North America, Asia and the rest of the world combined. More than half of exports from Border counties are in the agrifood, financial services, construction and engineering sectors. There is a similar story north of the Border. Approximately £2.20 of every £10 in external sales generated by companies on the Northern side of the Border goes to the EU market. That is a significantly larger percentage than that for the rest of Northern Ireland which only accounts for 10%. Some 22% of all sales in Northern Border counties are into the Republic of Ireland and the rest of the European Union. The Republic of Ireland is the second biggest external market for firms in Border areas in the North.

In the agrifood sector 35% of the milk produced in Northern Ireland in 2015 was exported to the Republic of Ireland. Some 45% of the meat produced in Border counties went to Northern Ireland and, of course, in a hard Brexit or no deal scenario these exports would potentially be subject to WTO tariffs, which are excessive, as we know.

In the fisheries sector 65% of fish landings are in Killybegs, County Donegal. It is a little

known fact that 7% of the entirety of fish landings in the United Kingdom are in Kilkeel, County Down. They are shared waters at this time. There are very real concerns that post-Brexit the sector will be affected extremely detrimentally and that the level collaboration and these very important trading figures will be severely impacted on.

The concentration of businesses and employment in these two industries in the Border corridor leaves the area especially vulnerable and exposed to risk. There is a need to recognise that many farm, fishing and agrifood enterprises are small in scale with a low turnover, which also makes them particularly vulnerable.

On transport and logistics, the Border is 500 km from Carlingford to Lough Foyle, the area in which I am privileged to work. It divides rivers, fields, farms, households and businesses. There are almost 300 Border crossings and some 6,000 lorries cross the Border every day, many of them on their way to and from ports. We have Warrenpoint at one end of the Border, the third largest port in the United Kingdom, and Foyle port at the other. Many of the exports and imports are distributed along the west coast of the island and beyond.

In the packs provided and the slides we have done a little bit of work in looking at cross-Border commuting patterns. They show the level of integration across the Border region. In my council area which has a population of 150,000 there are 360,000 movements across the Border each week. They include families, those involved in businesses and others travelling for education or work purposes. Approximately 40% of the cars parked in Derry city centre during the day have Donegal registration plates. The situation in Letterkenny town centre is similar, with somewhere between 30% and 35% of the cars parked during the day having Northern Ireland registration plates. The level of integration cannot be underestimated. Frankly, we ourselves are astounded when we look at the detail and the figures, that integration is so ingrained across the Border region.

Another key fact relates to the dependence of Northern Ireland firms along the Border, as well as Southern Irish firms, on immigration to sustain them. The level varies per sector. In the restaurant and hotel business sector almost 25% of all employees along the Border corridor are immigrants. Some 20% work in administrative areas and 22% in manufacturing. There is, therefore, very significant reliance on migrant workers. The Border councils in Northern Ireland received over 50% of the entire population of new migrants last year. The Southern Border counties receive over 20% of the entire national migrant population. We can, therefore, begin to see the absolute dependence on migrant populations on both sides of the Border.

We have documented in our report the impact of Brexit and have a very substantial evidence base, but we have moved in recent times to begin to look at potential mitigation measures. I am very pleased to hear some of the comments emanating in recent times from the two Governments in particular and note the direction of travel taken. A key for communities living along the Border corridor is ensuring we will not have an economic border post-Brexit, that Northern Ireland producers will have tariff free access to the Republic of Ireland market and the Single European Market, that we will retain the right for Northern Ireland producers to freely access the wider Great Britain market, that Republic of Ireland producers will have free access to the Great Britain market which accounts for over €1 billion worth of business per week. In that regard, the quality and traceability of products will be essential. The migration issue as it relates to Border counties means that there must be free access to labour, both North and South.

In terms of economic solutions, it is true that weak economies will become weaker as a result of Brexit. Border councils have for some time been working on macro solutions that will

once and for all change these vital statistics and ensure Border areas can become a net contributor to the economies on this island, both North and South. We know what strategic interventions are required and in the lead-up to and post-Brexit these strategic interventions will remain the same. We must ensure we minimise peripherality and improve connectivity both in terms of infrastructure, including road projects such as the A5 and Narrow Water bridge, as well as other vital infrastructural projects. We must also ensure we get to grips with the rural broadband issue - the virtual connectivity issue. The rail network, in which very substantial progress has been made in recent years, needs a final push to ensure connectivity, to and from the capital city and among other cities on the island, will be as smooth as possible. We can address the issue of infrastructure now; we do not have to wait for Brexit to happen. There are indications that very significant progress has been made in dealing with some of these issues, but we can prepare now and the two Governments can assist us in that mission.

On support for Border businesses, we recognise that across the two jurisdictions there has been very considerable support for small businesses in recent years, but they are particularly vulnerable. We contend that the level of support should increase. More information and advice are required for some of the very small or micro companies on tariffs. Of course, councils are very willing to play a part in that regard. The agrifood industry, in particular, as I mentioned, faces very significant challenges and needs assistance in beginning to plan for the future.

That is a very brief summary of the content of the report. I will hand over to my colleague from Louth County Council to make the second part of the presentation.

Ms Joan Martin: My colleague from Derry dealt with the economic aspects at a macro level. I want to reach down closer to the ground and talk about the impact on communities and individuals in their daily lives. As we have heard, the Border corridor suffered more than any other part of Ireland and Northern Ireland during the long political conflict which left us with a weaker economy and infrastructure, skills deficits, higher unemployment, etc. During the Troubles Border communities suffered daily disturbances in their way of life. We do not want to go back to having Border checkpoints and all of what they entailed. The peace process and the Good Friday Agreement enabled us to address these issues. It is essential that all strands of the Agreement be maintained and protected post-Brexit.

I want to touch on the impact in a number of key sectoral areas, including EU funding, health care, education and tourism. In the past 20 years, going back to the 1990s, EU funding has enabled us to modernise along the Border corridor. Some €3.5 billion has been allocated to Northern Ireland by the European Union to be made available in the period 2014 to 2020. CAP payments account for 70% of this sum and I do not need to tell the committee how important they are in Northern Ireland. Programmes with a cross-Border element largely fall under the INTERREG and PEACE programmes - currently INTERREG VA and PEACE IV - and make up just under €500 million which will be available up to 2020. The INTERREG programme focuses very much on economic development, whereas the PEACE programme which followed the Good Friday Agreement deals with community reconciliation and social inclusion programmes which also extend to the very large numbers of new migrants. Integrating them successfully is also part of the PEACE programme.

Cross-Border co-operation has never been easy. I have been involved in it since the early 1990s, ahead of the Good Friday Agreement. It was not easy then and it is still not easy. Without the INTERREG and PEACE programmes, it is unthinkable that we could have sustained interest and engagement in this very important work. The PEACE programme is an integral part of the peace process. The handout contains pictures of only some of the very many projects

which have received funding. They are some of the more recent ones. On the infrastructure side, the Northern Ireland science park is a hugely important project. I was responsible on the Southern side for the Newry-Dundalk road project. Prior to being open ten years ago, crossing the Border from Dundalk to Newry, as I did very often, was difficult. Given the condition of the road, checkpoints and the security situation, I could have left my office an hour previously and still have been worrying about whether I would make it on time for a meeting in Newry. I can now cover the distance in ten or 15 minutes.

On the economic development side in my county, the Highlanes Gallery is located in Drogheda. It is a contemporary art gallery which houses our municipal collection. It is twinned with the McWilliam Gallery in Banbridge. It was a cross-Border arts partnership funded under the INTERREG programme to the tune of several million. The Bright Room is another important economic programme in Dundalk which would never have gone ahead without the funding that was available under the INTERREG programme. More recently, we have had biodiversity and greenway projects. Next week we will be turning the sod for the next phase of the greenway from Carlingford to Newry. We have already extended it to Omeath and are now continuing on to Newry. In a very short space of time one will be able to travel on a greenway or a canal pathway from Carlingford to Lough Neagh. This is a project which would have been unthinkable without cross-Border funding and co-operation from local authorities and communities. There have been energy projects, while the Peace Bridge in Derry is an iconic structure and a hugely important link for communities on both sides of the lough.

When the United Kingdom leaves the European Union, Ireland will lose the Ireland-Northern Ireland-Scotland INTERREG programme, the Ireland-Wales INTERREG programme and the PEACE programme, all of which receive at least part of their funding from the European Union. The Northern Ireland Border councils will also lose EU money allocated by the Northern Ireland Executive for economic and rural development and tourism programmes. The opportunity to access the plethora of EU funds available under the Horizon 2020, Atlantic area, INTERREG Europe and northern periphery programmes, etc., will be lost. Some of these programmes are of huge importance to the third level sector, in particular, in which so much vital research in key areas takes place on a day-to-day basis. Opportunities for universities to gain from links with universities all over Europe will also be lost.

On health care, access across the Border has become critical. The radiotherapy centre in Altnagelvin Hospital is of great importance to people in County Donegal. It will be remembered from arguments on radio and television that prior to there being cross-Border co-operation, their alternative was to travel to Galway. Altnagelvin Hospital is only up the road for them. The emergency department in Daisy Hill Hospital in Newry serves a huge part of north Louth, with the alternative being the hospital in Drogheda which would simply not be able to cope with the extra work. It covers an area stretching across counties Cavan and Monaghan, in addition to County Louth. Children from Northern Ireland travel to Dublin for paediatric care and heart surgery, while numerous patients from Northern Ireland are treated in the Republic. Likewise, patients from the Republic travel to the North. It depends on the medical service sought. The CAWT is another project funded under the INTERREG programme which facilitates cross-Border health service links, but it is under threat.

It has been difficult for a lot of these projects to survive in the interim between each INTERREG programme; there have been gaps of one to four years, but at least we knew there would be programmes. If these programmes are removed, the future will look very bleak. There are 124 consultants at Daisy Hill Hospital in Newry and regular attendances by 642 patients, par-

ticularly in the area of nephrology, as well as ENT day cases. There are huge numbers of out-patients accessing specialties, particularly obstetrics and orthopaedics. A total of 708 patients from the Republic were treated in the Daisy Hill Hospital emergency department in one year between 2016 and 2017. The Western Trust has contracts with the hospital in Letterkenny to provide oral surgery and cardiology services. There is also the north-west cancer centre. The figures are included in the handout and they are huge.

Mr. Kelpie has touched on the numbers who cross the Border for all kinds of reason, including to attend higher education courses. South West College, North West College and Southern Regional College in Northern Ireland, as well as the institutes of technology in Sligo and Letterkenny, all have an important cross-Border dimension and many students travel in both directions. Lecturers come from both sides. In my office in Louth County Council there are staff members who live in Belfast and Dublin. Those who live in the North, of whom there are many, are very worried about travel times and reciprocal tax arrangements and what the future will hold for them post-Brexit. The handout sets out the example of higher fees for Northern Ireland students. What will happen here? Will there be an impact on numbers in the Republic? EU students will be much less likely to travel to Northern Ireland post-Brexit.

Tourism is still very much a fledgling industry in Border areas because of our peripherality. We have been building the industry in recent years. There are 3.3 million visitors, one third of whom are concentrated in two western areas which include Donegal, Fermanagh and Omagh. Tourism is a key economic driver on the whole island. In County Louth tourism is the industry with the greatest potential for economic development. However, freedom of movement is critical. Tourists will not be as anxious to travel to a Border area or cross the Border when they are unsure about what will happen or how long the journey will take. They are very uncertain about where exactly the Border is. Very often they do not know whether County Louth is in the Republic or Northern Ireland. We do not want to go back to the difficulty we experienced in the past. There are tourist attractions which straddle the Border, including the very important UNESCO geopark between counties Cavan and Fermanagh which includes the Marble Arch caves. While that is a very important project which received substantial EU funding, what is to happen in the future as that project develops? The Southern part of it will still be eligible for EU funding but what about Northern Ireland?

Access to the region is largely through ports and airports on the other side of the Border. Many people who travel to Northern Ireland will access Ireland through Dublin Port or Dublin Airport. What is going to happen there? Reaching down further, right down onto the ground, some of those present will have seen the reaction from some Border communities to the prospect of Brexit. These communities face the threat of their whole way of life changing yet again. They have worked seamlessly across the Border for many years. Even people like me sometimes do not know where the Border is. One travels over and back and one is never exactly sure. When travelling to somewhere like Cavan or Monaghan I could cross the Border several times. We are still recovering from many decades of political turmoil. Families and relatives live on both sides of the Border. Farms are literally divided by the Border, as are businesses. There can be a church in Northern Ireland and a graveyard in the Republic. Journeys often involve multiple Border crossings. What about shopping and socialising? I could give the example of a number of my staff members, who are young women from Louth who met young fellows from Northern Ireland at discos in Dundalk. Some of them are now living in the Republic and some are living in south Armagh or other parts of Northern Ireland. It is an invisible Border for us. This impact will not be felt anywhere else in Ireland. The Border is part of us. It is part of who we are and is part of our lives every day.

Another impact could be the loss of PEACE funding. We depend on that to foster cross-community co-operation. It is only those of us who have lived and worked in the region over the decades who can see the impact PEACE money has had on cross-Border co-operation. I have been working in Louth for 40 years and I have spent the last 25 years of that doing a lot of cross-Border work. I held Ms Arthur's job with East Border Region before her. Only we can see the opportunities it has offered communities on both sides of the Border to come closer together, to work together, to have more social inclusion, to break down barriers and to address the negative impacts. We have seen that. We know how important it is. We also know, despite the fact that we are on the fourth programme, the amount of work that still needs to be done, and the importance of the continuation of that programme and its funding.

Do not bring me problems, only solutions. The solution is that those programmes must continue. The PEACE programme, to which I have just referred, which fosters cross-community and cross-Border integration and co-operation must continue. INTERREG has allowed economic development to help us to try to catch up on many years of falling behind the rest of the island during the Troubles. That must continue. We need the political will of Dublin, Stormont, London and Brussels to make the financial commitment required to continue the work of those programmes.

I apologise for mentioning the Good Friday Agreement again but all three strands of it must be protected. The power-sharing assembly and Executive, the Irish dimension to the governing arrangements for Northern Ireland and the east-west institutions, namely, the British-Irish Council and the British-Irish Intergovernmental Conference, have all played an incalculable role in bringing us forward over the last number of years and they must continue.

There is a lot more work to be done. Regarding the common travel area, we have touched over and over again on people travelling over the Border and back. I have also mentioned things like tourism. The free movement of people is essential to maintain the way of life for those who live in the Border region. It is essential for access to cross-Border education and health. It is particularly important for residents in my county, and the other Border counties in the Republic of Ireland, who did not vote to leave the EU, who did not have a vote on Brexit and who now face being affected by it.

I wish to mention the national planning framework and the memorandum of understanding between my own council and Newry, Mourne and Down District Council. At our last steering meeting a couple of weeks ago, the project team from the national planning framework was in attendance. It emphasised that this is not about spatial planning. The national planning framework is about a vision for what Ireland will look like as we move towards 2020, 2040 and into the future. It is very important that the issues we have raised today and the difficulties and solutions we have mentioned throughout our address are recognised in that national planning framework and that they are built into it as it moves ahead. We request that cognisance is taken of all of those issues in the formulation of the national planning framework.

Mr. Stephen McCann: As the committee will know, local authorities have a duty of care to those people who live and work in their respective council areas. As elected members, we wish to do our very best for those who have put their faith in us. Thus we are collectively working together to ensure the needs of the Border corridor are reflected and prioritised during the Brexit negotiations. The fact that we, as local authorities on both sides of the Border, have recognised the common challenges which we face and are prepared to work together to address them, is testimony to the value of cross-Border co-operation in the past few years. This capacity has been supported by the peace process and the European Union.

The Border local authorities in the North are acutely aware that, although our Border counterparts in the South had no part to play in the decision to leave the European Union, they are already feeling the impact. This is as a result of the sharp fall in sterling. Many small businesses, the backbone of the Border corridor, have already closed, most notably in the mushroom industry.

While this situation is worrying, the Border study has found that an economic border would be detrimental not only to the Border corridor, but to the island of Ireland as a whole. We have given the committee a snapshot of the impact during our presentation. As a Border corridor, we must influence not only the Irish Government but also Stormont, London and Brussels, to ensure this does not happen. We ask the committee to use all of its resources in this regard and to think carefully about the solutions we have posed. The people of the Border corridor deserve clarity about what the future will hold. As elected members from the Border councils, we know that our respective communities will be most impacted by Brexit. Irrespective of what part of the 500 km border one lives on, the outworkings of Brexit will be keenly felt.

While economic certainty is important, political certainty is essential for our Border corridor to thrive. We cannot jeopardise the peace process for which we have all worked so hard. Our children and grandchildren's lives depend on decisions which will be taken in the next few years. It is our duty to get this right and it is the contention of the Border corridor local authorities that, in order to do this, all aspects of the Good Friday Agreement must be maintained. I will make no apology for reinforcing the point that all aspects of the Good Friday Agreement must be maintained.

The Border corridor local authorities would welcome the opportunity to brief the incoming Taoiseach, Deputy Leo Varadkar, on the serious issues which we have outlined today. We believe it is important that the needs of the people of the Border region continue to be reflected at the highest levels in the Government. We again thank the committee for the opportunity to present the case of the Border corridor to it.

Mr. Paul McAuliffe: I thank the Acting Chairman and members of the committee. We very much appreciate being here today. As chairperson of economic development and enterprise in Dublin City Council, I am joined by a number of my colleagues: Mr. Declan Wallace, assistant chief executive; Mr. Greg Swift, head of enterprise and economic development; Ms Mary MacSweeney, deputy head of enterprise and economic development; and Mr. Steven O'Gara, who has assisted in the Dublin city economic summits, on which I intend to brief the committee. As the councillors in the room would acknowledge, it is always disconcerting when the officials are sitting behind one.

My remarks are based largely on two Brexit-related Dublin city economic summits that were held in July 2016 and May 2017. These round-table discussions included senior leaders of many sectoral, business, trade union and political organisations in the city, as well as State bodies. My remarks are also informed by the new *Dublin Economic Monitor* - a joint initiative on behalf of the four Dublin local authorities to track economic developments in the capital. I have a number of copies of the bulletin for the committee. It is a useful policy tool to assess what happens in Dublin's economy.

The first summit took place three weeks after the referendum. It focused on the potential challenges and opportunities that face Dublin city following the referendum. We were pleased that representatives from both the British and Irish Governments were able to attend as the Minister of State, Deputy Eoghan Murphy, and the British ambassador, Mr. Chilcott, attended

a round-table discussion.

With 28% of the national population living in Dublin and 45% of the GDP generated in the city, it is not a surprise that many of the national Brexit challenges have an impact on Dublin. I will not repeat the challenges as the committee has already heard about them from other delegates. I will briefly mention the concerns of the retail, tourism and university sectors. They were mentioned at the summit and are worth noting. In terms of retail, 40% of Dublin city centre stores belong to UK chainstores. There are concerns that even without tariffs there may be an inflationary impact on Dublin consumers as a result of Brexit. The tourism sector employs one in seven Dublin workers. The sector was one of the sectors that felt the immediate impact of a weakened sterling following the Brexit vote. There have been calls for increased promotion particularly in eurozone markets. There are concerns that increased prices in the Dublin tourism sector have affected the city's attractiveness as a destination. As for education, there are concerns that British and Northern Irish students who study in Dublin, as well as Dublin students who study in the UK, will be treated as international rather than EU students after Brexit with higher tuition fees being imposed as a result. Equally, concerns were expressed about existing and future research partnerships between Ireland and UK educational institutions.

I urge members to read the outcome report from our Brexit summit as it has more detailed analysis on the sectors in Dublin city that have seen the impact of Brexit. Today, I shall focus on the main issues that face Dublin as a result of Brexit. One of the strong outcomes from the summit was the Lord Mayor's task force on Brexit. I refer to the joint initiative called Greater Dublin's Greater Than Ever, which was developed by the Mansion House and the British Irish Chamber of Commerce. The project aims to promote the positive elements of the city with a video and promotional material. The material has been distributed and used for the past six months to convey the message that Dublin is a place for investment.

In the limited time available, I will focus on the capacity and infrastructure of the city of Dublin. While wearing the blue jersey to promote Dublin abroad, we also need to address potential threats. Many of the infrastructural challenges predate Brexit but Brexit has brought them into sharper focus. A city with capacity can respond positively to increasing numbers of people coming to visit, live and work here. However, a city with insufficient infrastructure will be unable to respond.

It is accepted that financial services and other London-based companies were or are looking at Dublin as a possible relocation centre. However, Dublin's ability to take advantage of the opportunities that arise from Brexit was a running theme throughout our discussions at the two summits. The capacity of the existing infrastructure to bear extra weight and for expansion arose repeatedly, particularly in terms of housing, transport, and hotel and office space.

The Dublin Chamber of Commerce attended the second summit in May 2017. One of its representatives stated that in meeting the challenges and opportunities provided by Brexit, housing supply, commuting and travel times were the most practical and quantifiable measures that any local authority could deal with. Tackling these issues would make the city more competitive both for the people already living and working here but also in being able to attract new investment. Dublin's ability to meet a growth in demand for office space was a concern 12 months ago. Assurances were given at the summit that a sufficient pipeline of office space was in development. At present it is believed that we will be able to handle an uptake in demand generated by companies moving their operations from London and elsewhere in the UK to Dublin.

According to comments made by CBRE at the summit, the largest number of queries received about office space in Dublin had come from the technology sector. The sector was fearful of immigration controls being introduced in the UK, as it would restrict an ability to attract the necessary workers. Concerns were raised about housing 12 months ago and they remain. There has been much coverage of the housing shortage in Dublin from a social perspective but it also has a massive economic impact. The shortage must be addressed if we are to be in a position to attract new employers. CBRE reported that housing was the number one issue its occupiers asked about. CBRE also stated that potential investors are looking at the cost of rental accommodation for their workers because of the implications that has on wage costs. Members can imagine how even a small number of highly paid financial workers moving to Dublin with a high disposable income might affect the already heated rental market.

Dr. Ronan Lyons, Department of Economics, Trinity College Dublin prepared a special paper on housing for the second summit. He said housing accounted for a quarter of the city's competitiveness. Three quarters of the cost base for most modern multinationals is labour and one third of most households' incomes is spent on housing. Therefore, a quarter of Dublin's competitiveness comes down to housing, a fact that is not normally considered. Dr. Lyons reported that Ireland has perhaps been too good at attracting foreign direct investment and, therefore, has not considered the influence of domestic and international factors. There was a lot of focus on corporate tax in the 1970s, 1980s and 1990s. However, the cost of living and quality of life issues will be our challenge in Dublin in future decades. To illustrate the point, the Lord Mayor of Dublin and I recently met a co-founder of one of the world's largest social media technology companies. In discussing the company's plan to invest in Dublin, we spent a considerable amount of time addressing concerns about housing and the availability of school places.

The north Dublin think tank, NorDubCo, told our second infrastructure summit that from its engagement with multinational organisations, the housing of workers in other cities could often be solved with money. However, due to the scarcity of housing in Dublin, companies could not be certain that money alone would resolve the issue.

Equally, significant investment in transport is required to facilitate movement and reduce commuting times. Even with metro north and the DART underground, Dublin is facing a decade of increased congestion and lengthy commuter times. With an ever increasing number of people living and working in the city, an ambitious plan is needed to fund cycling infrastructure, quality bus corridors and integrated bus routes. We need to move away from short-term project-based planning to longer-term multi-agency planning in order that investors coming to the city can see a clear line of sight on big capital infrastructure. We also need to scale up our infrastructure and to do so we need investment.

The Dublin city local economic and community plan was published last year. It identified over 300 actions that Dublin City Council and other State bodies in the city must take in 2016 and 2017 to address quality of life issues. The plan rightly identified that a great city to live in is also a great city to invest in and *vice versa*. In order for Dublin to face the Brexit challenge we must now decide to deliver and invest.

My colleague, Mr. Greg Swift, will address some of the issues and projects that we have undertaken to support businesses in the city.

Mr. Greg Swift: As head of enterprise and economic development in Dublin City Council, I welcome the opportunity to present to the committee. I will highlight some of the supports of-

ferred through the local enterprise office, LEO, that helps to support enterprise activity in Dublin city, particularly in response to Brexit.

The local enterprise office is the State's first-stop-shop for enterprise supports. As head of the LEO for Dublin city I know that the office has implemented a range of new programmes that have been designed to help and inform the start-up community about the Dublin business plan for Brexit. These programmes include the LEO Brexit SME scorecard. The scorecard has been adopted from a version of Enterprise Ireland's online tool. The scorecard is designed to encourage companies to think about the key areas of business that may be impacted by Brexit and to self-assess their level of preparedness. By completing a series of questions online, under six key business pillars, a comprehensive report is automatically generated. It serves as a prompt and as a discussion document for clients to consider as part of their planning for Brexit. The report provides companies with a benchmark of best practice against which to compare their level of preparedness and directs them to a range of supports, resources and information that are available via the local enterprise office. LEO clients can access the scorecard, which has been available since last week, at www.localenterprise.ie.

The technical assistance for micro-enterprises grant is designed to support qualifying businesses to diversify into new export markets, enabling companies to explore and develop new market opportunities. Under this initiative, businesses can be part-funded for costs incurred in investigating and researching export markets, for example, exhibiting at trade fairs, preparing marketing materials and developing websites specifically aimed at overseas markets. The grant covers 50% of eligible costs, net of VAT, to a maximum amount of €2,500 per company.

The lean for micro programme was piloted in 2016 with 23 participating companies and with an additional budget of €800,000 from the Department of Jobs, Enterprise and Innovation, the programme has been rolled out across the entire local enterprise office, LEO, network and the Dublin region will run a programme each quarter. The LEOs, in conjunction with Enterprise Ireland, offer clients opportunities to adopt lean business principles in their organisations to increase performance and effectiveness. Lean will assist companies in addressing competitiveness issues, in building the capability of their people and in identifying issues and improving their operations, thereby increasing capacity as they improve efficiency and effectiveness. Under the programme companies can avail of group training and five half-day consultancies from a lean expert, a qualified practitioner, from an Enterprise Ireland-approved lean consultancy panel, who will work with the company to introduce lean principles, undertake a specific cost reduction project and assist the company in benchmarking performance.

The LEO innovation and investment fund is a new pilot initiative to support innovative developments in micro-enterprises by getting them investor ready and through the provision of a grant funding to assist them in implementing their development plans. The programme will initially target existing LEO clients in manufacturing or traded services sectors who wish to start, grow or develop innovative micro-businesses. Applicants for funding will apply online and some will be selected to participate in an investor-ready programme and to complete an investor-ready plan. They will then be entitled to pitch to an investor panel to secure a grant investment of up to €25,000 from their local LEO through a competitive process.

The LEOs offer mentoring programmes through which businesses can access mentors, including those on the Enterprise Ireland mentor panel. Mentors provide tailored advice, guidance and support to help accelerate growth, build management capability and address Brexit-related business challenges. The mentor programme is designed to match up the knowledge, skills, insights and entrepreneurial capability of experienced business practitioners with small

business owner managers who need practical and strategic one-to-one advice and guidance. The mentor contributes independent, informed observation and advice to aid decision making. All applications for mentor assistance are dealt with individually and are preceded by a business needs analysis to assess the key needs of the business and determine the most imperative mentoring objectives.

To assist the small business community in meeting the challenges of Brexit, LEOs provide a wide range of high-quality training supports, which are tailored to meet specific business requirements, including those around finance. Training initiatives designed to support owner managers to address the impacts on currency, pricing, cash flow and funding are being rolled out. In addition, export growth programmes are being delivered nationwide to provide participants with the skills and confidence to go after new sales opportunities outside Ireland.

Clients are also being signposted to Enterprise Ireland-led programmes, such as the excel at export selling workshops. The LEOs provide a confidential advisory service open to those operating a business. Businesses can access information, advice and guidance from business advisers and will be signposted to the supports most relevant to them. The Enterprise Europe Network is the world's largest support network for small and medium-sized enterprises, SMEs. In Ireland, services are delivered in a partnership between Enterprise Ireland, the 31 LEOs and the chambers of commerce in Dublin and Cork. Through the network, Irish companies have free access to Europe's largest database listing up to 10,000 new business and technology opportunities in the EU and other major global markets. Businesses are assisted to grow through tailored support, new business technology partnerships, commercial opportunities, licensing deals and partner searches for EU-funded research and development. Companies can get advice on EU funding and support to bring their innovative products and technologies to a global audience. I thank members for the opportunity to make this presentation and I will be delighted to answer any questions they may have.

Acting Chairman (Senator Gerard P. Craughwell): I thank Councillor O'Hanlon and Mr. McCann for this initiative and for their presentation; Mr. Kelpie and Ms Martin for taking the time to put this report together; and Mr. McAuliffe and Mr. Swift from Dublin City Council.

The format we have been using following presentations is to have a question and answer session. There are many public representatives here from all sides of the community and if those present agree, I propose to allow members of the committee to make short statements and then to open the floor to members of local authorities who have travelled here today and who may wish to put something on the record. This is an extremely important event because it represents the group most affected by Brexit. I have been in Brussels on several occasions and have just returned from a COSAC meeting. At every meeting I have attended, the Irish question has been raised. Last week in Malta, Mr. Barnier, Ms Hübner and all the speakers from the 27 countries spoke of the unique position of Ireland and how important it is to protect the Good Friday Agreement and, more importantly, freedom of movement across this island. I was extremely impressed. Nobody spoke against it. There is a massive amount of goodwill.

In this room today there are two members of the Oireachtas Joint Committee on the Implementation of the Good Friday Agreement, Senator Frances Black and me, who will report on this meeting to the committee. I assure Mr. McCann we will make representations to the Office of the Taoiseach to try to organise for him and Councillor O'Hanlon to meet the Taoiseach in order to get this across.

Senator Gerry Horkan: I am not normally a member of this committee but I am delighted

to be here. The session has probably been one of the most important if not the most important sessions to be held here in respect of the Border. I was a councillor for 12.5 years in the Dublin region and as Seanad candidates we go around the country. I was in Cavan recently and I have been in Louth. One can see the seamless Border that exists now. Only when one's phone shows O2 UK and the speed limits are in miles rather than kilometres does one realise one has crossed the Border.

We do not have enough time today for a question and answer session. I thank all the representatives for their commitment in turning up here today and giving their detailed statements. It is very important that they indicate in the Houses of the Oireachtas the position they are in and the position that has to be dealt with. I was on the old Southern and Eastern Regional Assembly and more recently the Eastern and Midland Regional Assembly, which includes County Louth. Its chief executive, Ms Martin, was the designated chief executive to that regional assembly when I was there and still is. We became even more aware of the situation as a result of having to appoint people to the PEACE programme and to various INTERREG programmes. There are other Ireland-Wales ones with which we are also familiar. It is important that the European Union understands the position the Border corridor is in and equally that it understands Ireland's position.

I thank all the representatives for being here. I will allow every other public representative to have a few minutes. My understanding is we have to be out of here by 4 p.m. I thank all the representatives for travelling such great distances and for putting so much work into their contributions. I might contact some of them individually and separately. If any of them wants to contact me or my colleagues, please do so. We are available by email and phone. I know many of them from the time when I was a councillor. The work they do is invaluable and I thank them all for their attendance.

Senator Michelle Mulherin: I join in welcoming the elected members and executive members of the councils represented. I agree with the Acting Chairman's proposal that we spend most of this session listening to people who are the voice of the ordinary person who will be affected by this. Perhaps someone will address a particular question I have. My question is in the context of the Border and is particularly for people in the Border corridor. Will we be looking at a resumption of smuggling? I would like some views on that matter. I am from County Mayo and as we unfortunately have experienced petrol stretching and diesel laundering, I am interested in the impact there might be there.

Senator Paul Daly: I wish to be associated with all my colleagues in welcoming the representatives today and in thanking them for giving their time. I have sat here for a long time and we have interviewed various delegates from different areas and sectors. Councillors and council officials are the people who work with the ordinary people on the street on a daily basis. It was great to get down to the individuals. The people who thought up this idea of Brexit, the people who voted it through, and Brussels and Dublin will never hear of the personal problems this will create for individual families and neighbours especially along the Border region, which is the area the delegates represent. If Brexit never arose, the representatives still may have been here today lobbying for the areas they represent. Rural Ireland has been left behind and in particular the north west and Border regions. If the hard Brexit that has been mooted happens, I shudder to think of the situation Donegal and the north west will be in. It will be the last frontier of the European Union sharing a Border with the Atlantic and the UK, apart from a very small stripe down through Sligo-Leitrim. I shudder to think what the situation would have been in many of the Border regions if it was not for the extra funding that came from the EU as a result

of the peace process. There was still a lot more that needed to be done. We are now looking at the possibility of losing that. It is imperative we put forward in our report the arguments and points that have been made.

The Acting Chairman asked for statements but I will ask one question. We have had a number of different groups here. A solution for the island that has been mooted is for Northern Ireland to get special status. That would eliminate a lot of the problems the representatives have raised in that there would not be a land border or economic border on the island. It would be more east-west, a line in the Irish Sea and we would take it from there. In itself, that would create a lot more logistical problems in the future. Would the representatives accept that as a solution in a worst-case scenario? What problems would they see emanating from that? How would the all-island status work? Until such time, the Six Counties would still be the UK and we would still be the EU. It might solve a lot of the problems in Border regions temporarily or it might create more. I would like to hear some of the representatives' opinion on that matter before we conclude.

Senator Frances Black: It was powerful to listen to the presentations. I was quite moved by the feeling of unity, particularly among the Border communities. As one Senator said, it is the first time one can feel that sense of unity and power in numbers. As the Acting Chairman noted, we are members of the Joint Committee on the Implementation of the Good Friday Agreement. If any of the representatives want us to do anything, they should keep in contact with us. They can reach us by email at any time.

Tourism is a big issue. From my experience of my father coming from the North and from travelling back and forth to north Antrim from a very young age, I realise how beautiful the coastline is from Carlingford all the way up. It is beautiful in north Antrim and the Glens of Antrim. I was in Newry in the Mourne Mountains at the weekend. It is a beautiful area. It does my heart good to see cars travelling up there, particularly Southern cars going up and enjoying the beauty. The fear is it will be stopped again as a result of Brexit. It is a huge fear and anxiety. It is really powerful to see all the representatives here. We will do everything in our power to support the local authorities. It is absolutely crucial. I encourage them to keep their feet on the pedal, to stay where they are today and keep on this path. I hope we can work alongside them and we will do our best to support them as best we can. I thank them for coming.

Senator Paul Coghlan: I join in the warm welcome to all of the representatives. They have made very interesting and informative contributions. I agree with the Acting Chairman in respect of the assurances we have been given from Michel Barnier and from the two Governments. Do the representatives have confidence in them? Negotiations have not started yet. Britain will be a full member for three years and probably for a lot longer with the transition period, which everyone now seems to accept will have to follow. A lot must happen in the negotiations. I accept Brexit is a damn nuisance. None of us wants it. We have always had to learn to live with currency volatility. The weakness of sterling is the thing that is impacting for us in the South. The representatives have had their concerns too, which we fully accept. Everyone has said there will continue to be a seamless Border. How effective are the guarantees we have? I accept that negotiations have yet to happen. Everybody accepts the Good Friday Agreement and the three strands must be fully protected. Many of the programmes with which the representatives are very concerned must continue. In the initial negotiations, a lot will depend on how much the British Government is prepared to yield. It will have to yield in negotiations in regard to the contributions it has made and is committed to continue to make. Much will depend on that. A little like the Acting Chairman, I am inclined to be optimistic although

we have concerns which will continue. I have no doubt everything the representatives have said will be incorporated in the report of the committee and we will hopefully go forward with some confidence. Our resilience will not yield.

Senator Maria Byrne: I join other speakers and will not go back over what has been said because I am conscious of time. I will add something a little different from what Mr. Swift had to say about the enterprise boards. Having served on my local enterprise board for 15 years, I am aware of how important it has been in the lives of small business. That needs to be built on, certainly. In terms of business development north and south of the Border - I hope we will not go back to any border - I think it is important for there to be more co-operation and support around the enterprise boards. I agree with what my other colleagues have said also. I welcome everyone present.

Acting Chairman (Senator Gerard P. Craughwell): It is 3.50 p.m. I propose to extend this session, not for as long as it takes but perhaps until 4.15 p.m., to allow any public representative present time to make a statement. Will they, please, keep their statements short? They will have to forgive me. As I do not know their names, I will simply point.

Mr. Alex Baird: I am vice chairman of Fermanagh and Omagh District Council. I am part of the delegation of the Border council. The presentation is about Northern Ireland and Republic of Ireland relationships and issues, rightly so; that is why we are here.

Solutions have been suggested and great references have been made to the implementation of all aspects of the Good Friday Agreement, with all of which I agree. However, I am concerned that one solution could cause another problem. Senator Paul Daly commented on what I had previously written before he spoke, and I wish to respond. One problem that I foresee arising relates to the relationship in movement between Northern Ireland and the Great Britain mainland and the movement of traffic via the Republic of Ireland through Northern Ireland over to the GB mainland. We cannot have a restriction on movement between Northern Ireland and Great Britain, that is to say, a border at the ports at Warrenpoint, Larne and Belfast or at the airports of City of Derry, Belfast International or Belfast City. We cannot have reciprocal barriers on the UK mainland.

Reference was made to the Good Friday Agreement. The sovereignty aspect of the Good Friday Agreement is rarely referred to but from where I sit on the political spectrum, it is extremely important and that would affect it.

Special status for Northern Ireland was adverted to by Senator Paul Daly. My view would be possible consideration for special status for the Republic of Ireland. There would be inevitable problems in respect of where the Border would be. However, from my position on the political spectrum – Senators may be able to guess from what I have said already but I have no wish to bring party politics into it - I do not want to see a solution to Northern Ireland-Republic of Ireland movement creating a problem that would be a problem for all of us.

Mr. Dominic Molloy: I am from the Mid Ulster District Council. I will be brief and will make one point. We talked about various funding strands, including INTERREG and ERASMUS. It is important that they are kept going. One funding strand mentioned was access to the European Investment Bank. It provided over €1,000 million into the island of Ireland in 2013. A total of €350 million came to the North for projects on infrastructure and the relocation of the University of Ulster or Ulster University as it is called now. For the Border region and for the North as a whole, access to the European Investment Bank is very important for the various

infrastructure projects in sectors such as telecommunications, broadband, roads, education and so on. Previously, the Department of Finance in Northern Ireland had put aside £40 million as leverage to access European funding from the European Investment Bank. That had to be shelved because of the Brexit decision. We would like to see some kind of arrangement to allow that to continue to be accessed.

Ms Roisín Mulgrew: I thank the committee for the invitation to appear before it. I am the chairperson of Newry, Mourne and Down District Council. I live in the south Armagh area. I cannot begin to emphasise the concern we have within my community and where I live. Perhaps the further north one goes, the less of a concern it becomes, although I am unsure whether that is wise.

In south Armagh, Brexit affects every strand of our lives. My children have had some of their education in establishments in the South of the country. Some relatives of mine have gone to university on exchange programmes throughout Europe. My background is in the small business community. In the towns of Dundalk and Newry, it is apparent that there is reluctance on the part of people to make any personal private investment in business. I have no doubt that Brexit is the reason. We are not in an especially strong manufacturing area. We rely heavily on trade, agriculture, tourism and the public sector. I do not believe any of those will not be affected by Brexit.

Daisy Hill Hospital is a major concern for us. It is my understanding from the Bengoa report that the demographics included the people who cross the invisible Border from Louth and Monaghan to use those hospital services and they were very much part of the protection of the services in Daisy Hill Hospital. It is vital that this continues to be acknowledged.

I have some concerns. I have heard comment in recent days from members of the Border Communities against Brexit group. After staging one of their mock border posts on the Border at Carrickcarnon, those involved were contacted by a media station in England. The reporter talked to them about the impact of Brexit. When the group members highlighted their concern about customs posts and hard borders, they were asked if they did not already have border posts. That is the level of concern and knowledge about us in England. The reporter did not even realise that there were no customs posts along the Border. That is of major concern. The people I represent believe that it is only ourselves, those in this building, Deputies, Senators, MLAs and MEPs, who will protect us. We do not believe MPs, including Theresa May, either know or care about us. I urge Senators not to let the communities in the Border down on this issue.

Mr. Albert Doherty: Gabhaim buíochas leis an Chathaoirleach agus leis na Seanadóirí. Cuireann sé áthas mór orm bheith anseo. Is as Inis Eoghain i nDún na nGall mé. Mar bhall de Chomhairle Contae Dhún na nGall agus mar chathaoirleach an North West Regional Development Group, tá an-athas orm bheith anseo agus cúpla rud a rá don choiste. I am chairman of the North West Regional Development Group. The group is a seamless attempt by those in Donegal, Strabane and Derry to put forward the north west as a region. Like our fellow representatives here, we are from a Border region. I acknowledge and thank Seanadóirí for seeing and acknowledging the momentum, energy and cohesion of our group as we face this uncertainty. It is clear that we have uncertainty. The best those in Brussels, Dublin and Stormont know at the moment is uncertainty.

A question was posed about how to help and we were asked to come with ideas or thoughts. There is an incoming budget and capital spending review plan. Committee members can show

us their first response by acknowledging the deficits that may occur because of Brexit, as well as the deficits that have occurred down through the years because of peripherality. This can be done by putting infrastructure spending into our area and into the Border region. That is a challenge regardless of whether it relates to infrastructure for our roads or to the safeguarding of our fishing and our ports. These are the questions we have for the committee members as we come here with momentum.

I come from Carndonagh on the Inishowen Peninsula. It is the opposite Border region to that of my colleagues in Newry and Mourne. To put Brexit in perspective, I am keen to focus on the Inishowen Peninsula. If one takes the west of the Inishowen Peninsula as being the front door of my house, I look out into the calm waters of Lough Swilly. I see the fishermen at work and the ferry at play. I see the tourism potential of Dunree and Fanad. Most of my work is done out the back. When I look out my back door, I can see Lough Foyle. Who owns it? Who claims it? What is going to happen to the fishermen there who work out of Greencastle Harbour? What about the tourism potential of developing Foyle Port? Why can we not have natural support for ferry services? My colleague will refer to Carlingford and deal with the Loughs Agency. Some people are still not claiming jurisdiction over the Foyle, while others very far away are. Greencastle Harbour possibly presents a problem for fishermen, but it is part of an initiative. As I said about the capital review plan, the development of ports can be an answer to issues raised by Brexit.

It is wonderful to have this opportunity and I hope we will have another one, but there is so much potential. Our area is at the beginning of the Wild Atlantic Way. People are directed to County Kerry and the south from our airports and visitor areas, but we would also like to see them travel along the Causeway coastline. We would like to market the region and have the momentum, cohesion and energy to do so. If we had the infrastructure and were to receive support from Dublin, that would show that today was a day well spent.

Mr. Hubert Keaney: I am chairperson of Sligo County Council and agree with much of what has been said. For us, there is uncertainty in that we do not know what shape the Border will take. As I lived in Manorhamilton for 30 years, I know what fixed border and customs posts are. We certainly need some help from central government because each day I travel, regardless of whether I travel on the N4 or take another route, I am hit by delays because of poor infrastructure. It is the same if I head towards Enniskillen; I am hit by delays because of the poor condition of the N16 and the fact that there is no bypass around the town. The delays are far greater than any ever caused at the Border.

Let me start with how the committee can help us. First, we should go back to 2006. We should be given back the almost €2 billion that was taken out of the fund for the Border, midlands and western region to complete infrastructural projects on the east coast and in the south. If we had that money today, we would be able to solve many of our problems. We need infrastructure to address the lack of investment throughout the north west and Border region during the boom time. We can come, debate and make representations and if any member wishes to come to our area, he or she is welcome to do so. He or she will not need an engineer's report or a PowerPoint presentation to see what is happening there. What the tourism industry has to struggle to overcome to attract visitors to the area will be visible. We have some fantastic businesses that have survived and grown in the past few years, but if they are to be helped by central government and we want them to contribute to the national economy of this great country, we need to be given our fair share. Let us start with giving back the €2 billion that was removed from the fund for the Border, midlands and western region in 2006.

Ms Sharon Keogan: I thank members for allowing us to come to talk to them about the real problems we are facing in the Border region. We need the heavy hand of the Government to brave the future. It is very clear that from today councils and communities will not fail to innovate and adapt to meet the complex challenges presented by Brexit. It is also very clear that we are not turning solely to the Government to solve the problems. We have come together from all political backgrounds and Border regions to work collectively to find solutions. Doing nothing is simply not an option for those of us who will be affected by Brexit.

Governments, be they EU member state governments or the UK Government, may present solutions as if they are gifts to the people of the region, but once deals are done, they proceed to saddle communities with a slew of regulations, mandates, taxes, tariffs, quotas, subsidies and penalties. We do not want significant changes made to the lives of the people involved in businesses or the communities we represent. Listening to our colleagues in Dublin City Council, it has become more evident that the challenges are faced by all of us. Our level of preparedness is crucial to find pathways to solutions. The cross-Border group very much wants to be part of the collective solutions so as not to sell citizens on the entire island short. We would like to know what role, if any, we can play in negotiating our way forward.

Mr. Justin Warnock: I am a member of Leitrim County Council and thank the committee for inviting us. I ask for Michel Barnier and his team to be made aware of the Border region as we are here talking among ourselves and come from different political parties. I live on the Border and have seen the roads that were cratered. I would not be as optimistic as the Acting Chairman, who does not think there will be a hard border. I am of the opinion that there will. We should, therefore, do everything we can to get those who are negotiating here because that is where it starts and stops because it will be the only land border with the United Kingdom. I would be grateful if that request could be made of the negotiating team.

Mr. Conor Keelan: I thank members and East Border Region for organising this meeting. I am a member of Louth County Council and live on the old N1 between Dundalk and Newry. I was born in Newry and many members of my family live on both sides of the Border. My father was a cross-Border worker. The current position is quite bizarre and the past is something to which we all do not want to return. We come with a unified position as representatives of councils on both sides of the Border. We are in a unique position among all of the councils on the island in having a shared border and special concerns. We want to have a meeting with the incoming Taoiseach as soon as possible to put our specific economic and social perspectives to him. I refer to a point made by Senator Paul Coughlan. On the negotiating position and how there could be a hard border on the island, it will not be just a case of what the British Government wants but what the European Union demands. If the European Union wants to see a hard border, there will be one.

Senator Paul Coughlan: But it does not.

Acting Chairman (Senator Gerard P. Craughwell): As it is nearly 4.10 p.m., we will wrap up. Before I call on the last two speakers, I thank everybody present. I have a list of all of the attendees that will be included in the Official Report. I am extremely happy to see that all sections of the community in the North and the South are represented. I look forward to seeing that level of co-operation continue. The delegates are welcome at any stage to come and sit in on a meeting of the Joint Committee on the Implementation of the Good Friday Agreement. I know that this committee has been trying to organise a meeting in Northern Ireland in order that we will build much closer links because it is only by understanding one another that we will be able to have a common field.

Senator Paul Coghlan: That also goes for the Joint Committee on European Affairs.

Acting Chairman (Senator Gerard P. Craughwell): I assure my Northern colleagues that every time Ireland is spoken about in the European Union, we also speak about Northern Ireland, of which we are acutely aware.

I call on Mr. McCann to sum up and answer the two questions asked, if he so wishes. I will give Councillor O'Hanlon the final word.

Mr. Stephen McCann: As a lot has been said already, I will be brief. I think the general consensus among the group is that Brexit will be a disaster for the Border region. We ask the committee to be acutely aware of this in negotiations. That is really all I have to add.

Acting Chairman (Senator Gerard P. Craughwell): I thank Councillor O'Hanlon for organising his group.

Mr. P.J. O'Hanlon: I thank the Acting Chairman.

Before I make my final comments, the Acting Chairman asked Senator Michelle Mulherin a question about smuggling and its impact. Until 12 months ago, Monaghan County Council had spent in the region of €4 million to €5 million on cleaning up over a number of years as a result of diesel washing and laundering. Fortunately, we have moved on. If the Acting Chairman is asking a direct question about going back to a hard border, there is absolutely no doubt that it would be fodder for the racketeers and the criminals who lived and flourished along the Border. That is the last thing we want to see happen. In our communities we are very proud of where we come from and have done a lot of hard work, on all sides, to stamp out this practice. I hate to ask, if it were to happen again, where the money would end up and to whom it would go. We do not want to go back. To give a direct answer to a direct question: would smuggling take off again? Let there be no doubt about it that once there is a hard border, one can be assured that there will be that business and practice because, unfortunately, there are people who are interested in making money and who will do anything to make it.

As a final comment, I thank the Acting Chairman for giving us the time and opportunity to speak. We are from and represent all sections of the community. That is our sole purpose: to represent the communities who live along the Border. All we want the committee to do is to make the case for us. If there is a hard Brexit, the people who will be impacted on negatively are those of us who live on both sides of the Border. Given what we have gone through in recent years, we deserve a break. We need help and today we are asking for the committee's. I again thank it for its time.

Mr. Paul McAuliffe: I thank the Acting Chairman for giving us the opportunity to present and, in particular, Senator Neale Richmond, who attended our second infrastructure summit. What is clear from all of the presentations is that, while much will happen at an international level, there is also much we could do within our own power. We need to ensure those measures are taken and that the views expressed today are understood, not just in the negotiations on Brexit but also in terms of regional development.

Sitting suspended at 4.15 p.m. and resumed at 4.25 p.m.

Engagement with All-Island Bodies

Acting Chairman (Senator Gerard P. Craughwell): Dia dhaoibh, a dhaoine uaisle. Tá brón orm. Tá mo Ghaeilge uafásach. Mar sin, beidh mé ag labhairt as Béarla agus beidh mé ag éisteacht as Béarla. Más maith leis na finnétithe labhairt as Gaeilge, ar aghaidh leo. On behalf of the committee, I welcome the delegates to our last session today, including Mr. Ó Coinn. We heard from the representatives of a couple of other all-island bodies earlier and I will repeat what I said to them. It is important for us for two reasons to hear from as many of the all-island bodies as possible. As a committee, we would like to hear about the challenges and possible solutions to problems within their areas of responsibility. We are also interested in what they might see as the impact on their organisations. I thank them for joining us and we look forward to hearing their contributions.

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

Anois, a dhaoine uaisle, ar aghaidh libh.

Mr. Seán Ó Coinn: Gabhaim míle buíochas leis an gCathaoirleach Gníomhach. Caithfidh mé a rá go bhfuil scoth na Gaeilge aige. Ní chóir dó a bheith ag déanamh leithscéal as a chuid Gaeilge. Tá sí an-mhaith ar fad.

San aigneacht a sheol muid ar aghaidh tá aistriúchán go Béarla ar gach rud a déarfadh mé i nGaeilge fosta le cuidiú leis na Seanadóirí agus iad ag iarraidh an cáipéis a léamh, b'fhéidir, ina dhiaidh seo.

Tá lúchair orainn an deis seo a fháil an cur i láthair seo a dhéanamh ar imeacht na Ríochta Aontaithe as an Aontas Eorpach. Dálta go leor eile, is údar mór buartha ag Foras na Gaeilge imeacht na Ríochta Aontaithe as an Aontas Eorpach ar chuid mhór cúiseanna. Mar réamhrá, tá Foras na Gaeilge mar cheann de na comhlachtaí forfheidhmithe trasTeorann a bunaíodh mar chuid d'fhorfheidhmiú Chomhaontú Aoine an Chéasta. Baineann ár gcuid dualgais reachtúla leis an dá dhlínse. Tá oifigí againn i mBéal Feirste agus ochtar ball foirne lonnaithe ansin. Tá oifigí againn fosta i mBaile Átha Cliath, i Ráth Chairn i gContae na Mí agus i nGaoth Dobhair i gContae Dhún na nGall. Ainmnítear ochtar dár gcomhaltaí boird faoi choimirce an Rialtais ó Thuaidh as seisear déag ina n-iomláine. Táimid freagrach don Chomhairle Aireachta Thuaidh-Theas atá comhdhéanta d'Airí Rialtais ón dá dhlínse. Cuireann an Rialtas ó Thuaidh 25% agus an Rialtas ó Dheas 75% dár maoiniú ar fáil dúinn. Dá réir sin, cuirimid sciar mór dár maoiniú ar fáil do dheontaithe sa dhlínse ó Thuaidh.

Mar sin dó, gan amhras is féidir go mbeidh impleachtaí móra ag an Bhreathimeacht dár gcuid oibre: cur chun cinn na Gaeilge ar bhonn uile-oileáin. Rachaidh an Breathimeacht go mór i bhfeidhm ar ár ndeontaithe agus ar ár bhfostaithe ó Thuaidh agus ó Dheas. Dá réir sin, rachaidh sé go mór i bhfeidhm ar chur chun na Gaeilge ar bhonn uile-oileán.

I dtús báire luafaidh mé na hábhair buartha atá orainn. Baineann cur chun cinn na Gaeilge

ar bhonn uile-oileán go príomha: le fostaithe atá fostaithe le bheith ag tacú le cur chun cinn na Gaeilge, agus le hoibrithe deonacha; le pobail Ghaeilge in áiteanna éagsúla ar fud na tíre agus na gréasáin shóisialta agus na deiseanna úsáide a chuirtear ar fáil dóibhsean le húsáid laethúil a bhaint as an Ghaeilge; an tacaíocht maoinithe a chuirtear ar fáil dóibh; agus an timpeallacht ina bhfuil an Ghaeilge á forbairt - dearcadh na n-údarás; dearcadh an mhórphobail, agus dearcadh phobal na Gaeilge orthu féin.

Beidh tionchair ag an Bhreathimeacht ar na nithe sin uilig, go háirithe ó Thuaidh, agus chomh maith leis sin, i gceantair in aice leis an Teorainn ó Thuaidh agus ó Dheas, agus, i ndáiríre, ar fud na hÉireann. I dtús báire labhróidh mé faoi na daoine. Tá Foras na Gaeilge buartha go mbeidh impleachtaí taistil ann dár bhfostaithe agus dár gcomhaltaí boird mar a leanas. Tá líon beag d'fhostaithe Fhoras na Gaeilge ina gcónaí i gceann amháin den dá dhlínse agus cúraimí orthu sa dlínse eile. Bíonn orthu taisteal thar an Teorainn ar bhonn laethúil. Ní fios go fóill an mbeidh moill nó bac ar thaisteal den chineál seo amach anseo. Tá sé ríthábhachtach go mbeidh prótacail aontaithe ann lena chinntiú go mbeidh cead ag fostaithe taisteal gan bac chuig a gcuid oibre agus ar ais arís. Ní fios cad iad na socrúithe a bheidh ann do dhaoine atá ina gcónaí sa Ríocht Aontaithe agus iad fostaithe san Aontas Eorpach - i bhfocail eile, ina gcónaí i dTuaisceart Éireann agus iad fostaithe sa Deisceart - nó ina gcónaí san Aontas Eorpach agus iad ag obair taobh amuigh dó, is é sin, ina gcónaí i nDeisceart na hÉireann agus iad ag obair ó Thuaidh.

Tá castachtaí ag baint leis sin dúinne agus do na ceanneagraíochtaí. Tá sé cheanneagraíocht a mhaoiníonn Foras na Gaeilge ar bhonn bliantúil le bheith ag cuidiú linn ó thaobh chur chun cinn na dteanga de ar bhonn uile-oileán. Tá níos mó ná 75 duine fostaithe sna sé cheanneagraíocht sin agus cuid mhaith acu fostaithe sa dhlínse ó Thuaidh. Baineann an cheist seo leis an airgeadra ina n-íoctar tuarastail, an ráta malairte, cúrsaí pinsin, agus asbhaintí as tuarastail na bhfostaithe sin. Tá comhaltaí boird agus fostaithe de chuid Fhoras na Gaeilge lonnaithe i nDún na nGall, a mbíonn orthu taisteal trí dhlínse an Tuaiscirt chuig cruinnithe ó Dheas go han-mhinic - ar bhonn seachtainiúil. Beidh prótacail aontaithe de dhíth lena chinntiú gur féidir le taisteal thar teorainn mar seo leanúint ar aghaidh gan bac.

Táimid buartha fosta go mbeidh tionchar aige sin uilig ar líon na ndaoine a bheidh sásta fostaíocht a ghlacadh le heagraíochtaí Gaeilge - Foras na Gaeilge agus na sé cheanneagraíocht sin. Tá sé deacair go leor faoi láthair daoine a mhealladh le bheith ag obair le heagraíochtaí Gaeilge gan na castachtaí breise seo a bhaineann leis an Bhreathimeacht. Mar sin de, cé nach gcuirfidh ceann ar bith de na nithe thuasluaite isteach go díreach ar chur chun cinn na Gaeilge ar bhonn uile-oileán, bainfidh siad d'éifeachtacht na n-iarrachtaí sin. Déanfaidh siad an obair níos casta, níos deacra, níos neamhtharraingtí agus níos fadálaí.

Ba mhaith liom labhairt anois ar na coláistí samhraidh agus cuairteoirí chun na Gaeltachta i nDún na nGall. Tugann suas le 9,000 dalta scoile cuairt ar cheantair Ghaeltachta i nDún na nGall achan bliain, agus an chuid is mó acu sin as na Sé Chontae sa Tuaisceart. Ní fios cén tionchar a imreoidh an Breathimeacht air sin. Má bhíonn na cuairteanna sin níos costasaí, níos deacra a dhéanamh, beidh laghdú ar líon na ndaoine a rachaidh, agus laghdú dá réir sin ar líon na ndaoine a bheidh ag dul don Ghaeilge sa phobal ó Thuaidh. Beidh impleachtaí airgeadais ann fosta do phobal na Gaeltachta i nDún na nGall. Cuireann na coláistí samhraidh go mór le turasóireacht sna ceantair Ghaeltachta sin. I láthair na huaire bíonn moill an-fhada ar fad idir Tír Eoghain agus Dún na nGall gach deireadh seachtaine sa tsamhradh le cuairteoirí ag taisteal go Dún na nGall – agus sin méid an tráchta gan bac ar bith ag an Teorainn. Is féidir samhlú caidé mar a bheas nuair a bheas bac ag an Teorainn.

I dtaca le soláthar an oideachais de, bíonn daoine sna contaetha cois Teorann ag brath go

mór ar sholáthar oideachais lán-Ghaeilge ag na ceithre leibhéal sa dá dhlínse - an leibhéal réamhscoláíochta, an leibhéal bunscolaíochta, an leibhéal iar-bhunscolaíochta agus ag an tríú leibhéal. An mbeidh cead ag páistí ó dheisceart Ard Mhacha agus ó Lios na Scéithe taisteal chuig Gaelscoil Oiriall i Muineachán, nó ó Ghaelscoil Uí Dhochartaigh ar an tSrath Bán go Coláiste Áiligh i Leitir Ceanainn, agus ó na trí Ghaelscoil i gCathair Doire go Gaelcholáiste Chineál Eoghain in Inis Eoghain, mar a tharlaíonn faoi láthair? Ní fios.

Mura féidir leis an taisteal thar Teorainn seo leanúint, beidh impleachtaí móra aige sin do chumas tuismitheoirí teacht ar Ghaeloideachas dá gcuid páistí, agus impleachtaí d'earnáil na Gaelscolaíochta Thuaidh agus Theas. Tá na tuismitheoirí ag brath ar na scoileanna thar Teorainn agus tá na scoileanna thar Teorainn ag brath ar na daltaí dá n-inmharthanacht.

Do phobal Dhún na nGall agus do Ghaeltacht Dhún na nGall atá ag iarraidh staidéar a dhéanamh ar an Ghaeilge ag an tríú leibhéal, tá Ollscoil Uladh, Ollscoil na Ríona agus Coláiste Ollscoile Naomh Muire i mBéal Feirste ar na roghanna is minice a dhéantar. Cuireann sé go mór leis an soláthar sna hinstiúidí sin seo scoláirí as an Ghaeltacht a bheith i dtimpeallacht na hollscoile. Déanann cuid de na scoláirí seo cónaí sa Tuaisceart, téann siad ag obair in earnáil na Gaeilge agus na Gaelscolaíochta ó Thuaidh, agus cuireann siad go mór le timpeallacht na Gaeilge ó Thuaidh. Má stadtar de seo, thar am beidh tionchar mór aige sin ar líon na ndaoine a mbeidh cumas sa Ghaeilge acu, agus a bheidh ar fáil le bheith páirteach i ngluaiseacht na Gaeilge ó Thuaidh.

Gan Acht Gaeilge ó Thuaidh, is í an Chairt Eorpach do Theangacha Réigiúnacha nó Mionlaigh an phríomhchosaint agus príomhspreagadh don Stát agus do na húdaráis ó Thuaidh le seirbhísí agus soláthar a chur ar fáil don Ghaeilge. Ní cairt de chuid an AE í an chairt Eorpach, baineann sí le Comhairle na hEorpa atá neamhspleách ar an AE. Ach cé nach leis an AE an chairt, tá cuid mhaith de na caighdeáin inti bunaithe ar dhea-chleachtas i mionteangacha i dtíortha san AE. Tá an-bhuaireamh ann ó Thuaidh nach mbeidh i gceist leis an Bhreathimeacht ach tús – tús le gluaiseacht imeachta ó struchtúir eile Eorpacha, tús le diúltú do na caighdeáin idirnáisiúnta, agus forbairt dearcadh cúng neamhspleáchais. Sa timpeallacht sin agus in éagmais reachtaíocht Gaeilge ó Thuaidh, ní bheidh cosaint ann don Ghaeilge nó do chainteoirí Gaeilge ó Thuaidh.

Ní fios go fóill an tionchar a bheidh ag an Bhreathimeacht ar na comhlachtaí forfheidhmithe trasteorann, agus cé acu a d'fhéadfadh Rialtas na Breataine a n-éifeacht a laghdú nó an maoiniú atá ar fáil dóibh a laghdú. Táimid cinnte de rud amháin, tá barainneachtaí scála i gceist maidir le cur chun cinn na Gaeilge ar bhonn trasteorann agus is céim siar shuntasach a bheadh ann dá gcaillfí seo.

Ó bunaíodh Foras na Gaeilge 16 bliain ó shin, tá an cur chuige uile-Éireann i ndiaidh cur go mór le gluaiseacht na Gaeilge ar dhá thaobh na teorann. Tá an-mhórán foghlama déanta ag díograiseoirí óna chéile ar fud na tíre. Tá deis curtha ar fáil do phobal an Tuaiscirt leas a bhaint as forbairtí ó Dheas, macasamhail forbairtí foclóra, forbairtí téarmaíochta agus forbairtí téacsleabhar, gan trácht ar mhodhanna oibre, oiliúint agus taighde. Cé nach mbeidh bagairt láithreach ann do na rudaí sin, de réir a chéile, dá fhaide ó chéile a bhogann an dá stát ó chéile, dá dheacra a bheidh sé a bheith ag gluaiseacht anonn agus anall thar an Teorainn, agus is é is deacra a bheidh sé buntáistí an chur chuige uile-Éireann sin a thabhairt in éifeacht.

Tá pobal na Gaeilge sa dá dhlínse ag brath ar chleachtóirí i réimse na n-ealaíon, an oideachais, spóirt, na meán, an cheoil, agus na teilifíse ar fud an oileáin le riar ar a riachtanais. Tá líon na gcleachtóirí ar féidir leo gníomhú trí mheán na Gaeilge ar fud an oileáin an-bheag ar fad. Dá

réir sin, bíonn pobal na Gaeilge sa dá chuid den oileán ag brath go minic ar chleachtóirí ón dá dhlínse eile, ag brath ar iad a bheith ar fáil, ar iad a bheith ábalta, sásta agus spreagtha le freastal ar phobal na Gaeilge sa dlínse eile le hoiliúint a chur ar fáil, le freastal ar ócáidí agus dá réir sin. Ar ndóigh, is iad pobal na Gaeilge ó Thuaidh ba mhó a bheadh thíos leis seo, ach tá cleachtóirí anois lonnaithe ó Thuaidh fosta i réimsí na hiriseoireachta, an cheoil agus na n-ealaíon a bhfuil pobal na Gaeilge ó Dheas ag brath orthu. Oibreoidh an deacracht sin an dá dhóigh.

Tá cúpla focal agam anois ar an stádas oifigiúil don Ghaeilge san Aontas Eorpach. Beidh deiseanna fostaíochta do lucht aistriúcháin Gaeilge, agus eile, atá ar fáil san AE ag méadú sna blianta beaga atá romhainn de réir mar a chuirfear deireadh le maolú ar an stádas oifigiúil don Ghaeilge sa AE. Is deiseanna iad sin a d'fhéadfadh a bheith ceilte ar lucht na Gaeilge ó Thuaidh agus, dá réir sin, beidh an buntáiste breise a bhaineann leis an Ghaeilge ceilte ar phobal na Gaeilge ó Thuaidh. Tá deiseanna fostaíochta ar cheann de na hargóintí is láidre do chur chun cinn na Gaeilge, le cur le stádas na Gaeilge agus le dearcthaí ina leith a fheabhsú. Cuireann deiseanna fostaíochta idirnáisiúnta a bhaineann leis an Ghaeilge an teanga ar chomhcéim le teangacha Eorpacha eile. Mura mbaineann an argóint sin leis an phobal ó Thuaidh, déanfaidh sé lagú ar stádas na Gaeilge sna scoileanna agus ollscoileanna ó Thuaidh.

Tá contúirt ann go mbeidh culú eacnamaíochta eile ann ó Dheas de bharr an Bhreathimeachta. Is léir ón chúlú eacnamaíochta is déanaí - an ceann atá thart, más fíor - má bhíonn ciorruithe Rialtais le déanamh ó Dheas gurb í an Roinn Ealaíon, Oidhreacht, Gnóthaí Réigiúnacha, Tuaithe agus Gaeltachta an Roinn is túisce agus is troime a bhuailfear. Is léir gurb í an Ghaeilge sa Roinn sin is túisce agus is troime a bhuailfear agus gurb é Foras na Gaeilge an eagraíocht Gaeilge is troime agus is túisce a bhuailfear sa chomhthéacs sin. Tá dochar mór déanta do ghluaiseacht na Gaeilge ó thosaigh ciorruithe in 2008. Tá €7 milliún bainte dár mbuiséad agus tá ár mbuiséad le haghaidh deontas laghdaithe níos mó ná 40%. Dá mbeadh sin le tarlú arís sna blianta atá amach romhainn bheadh sé tubáisteach don Ghaeilge ar fud an oileáin. I gcomhthéacs cúlaithe eile, an mbeadh an €7 milliún atá geallta don pholasaí oideachais Gaeltachta ar fáil? An mbeadh na hacmhainní breise atá á ngeallúint do na limistéirí pleanála teanga sa Ghaeltacht ar fáil? Cá bhfios?

Níl a fhios againn cé acu a bheidh tionchar ag an Bhreathimeacht ar chúrsaí craolacháin – teilifís agus raidió. Taobh amuigh den chorrchlár ar an BBC, tá pobal na Gaeilge ó Thuaidh ag brath go hiomlán ar RTE agus ar TG4 dá soláthar Gaeilge. Tá socruithe déanta de réir Chomhaontú Aoine an Chéasta - Comhaontú Bhéal Feirste - le go mbeidh teacht ag pobal Thuaisceart Éireann ar RTE agus ar TG4. De bharr an Bhreathimeachta, ní fios an mairfidh na socruithe sin.

B'fhéidir go mbaineann an chontúirt is mó don Ghaeilge leis an timpeallacht ina bhfuil an Ghaeilge á fhorbairt ó Thuaidh agus ó Dheas agus gurb iad an líon mór de rudaí beaga a fhágfaidh an timpeallacht sin neamhfháilteach agus b'fhéidir naimhdeach ó Thuaidh ach go háirithe. Bheadh pobal Ghaeltacht Dhún na nGall gearrtha amach ó phobal na hÉireann Thuaidh agus Theas agus de bharr cúrsaí taistil, an ráta malairte agus bacanna a bhaineann le cúrsaí oideachais. Bheadh pobal Gaeilge an Tuaiscirt gearrtha amach ón chuid eile de phobal Gaeilge na hÉireann, arís de bharr cúrsaí taistil, an ráta malairte, bacanna a bhaineann le cúrsaí oideachais agus fostaíochta trí Ghaeilge. Bheadh níos lú cosaintí don Ghaeilge ó Thuaidh agus níos lú tacaíochta di ón mhórphobal de bharr. De réir a chéile, ní bheidh sochaí an Tuaiscirt agus rialtas na Breataine á meas féin de réir caighdeáin Eorpacha. Ní bheidh an tionchar céanna agus an chailliúnt clú chéanna i gceist le comparáidí staitisticiúla idir rialtas na Breataine agus rialtais eile Eorpacha i réimse an oideachais, i réimse na dteangacha, i réimse na gcearta don saoránach agus dá réir sin. Thar am, beidh ceangail níos lú ag an phobal ó Thuaidh le pobal an

Deiscirt i gcoitinne agus, dá réir sin, beidh níos lú tacaíochta ón ghnáthphobal ó Thuaidh don Ghaeilge mar rud atá ábhartha dá saol.

Níl mórán le rá againn i dtaca le réitigh de, ar an drochuair. Baineann mórán de na rioscaí don Ghaeilge le réimse an taistil shaoir gan bhac thar an Teorainn. Tá reachtaíocht leis an Ghaeilge a chosaint agus le cur lena stádas ó Thuaidh ar cheann de na bealaí is éifeachtaí leis an Ghaeilge a chosaint ó na rioscaí a d'fhéadfadh a bheith ann ón Bhreathimeacht. Lena chois sin, cosnófar an Ghaeilge ar rioscaí a d'fhéadfadh a bheith ann ón Bhreathimeacht má dhéantar na struchtúir a bhaineann le Comhaontú Aoine an Chéasta a chosaint agus má dhéantar a chinntiú go mbíonn tús áite ag na socruithe sin os cionn comhaontú ar bith eile a bheidh ann amach an-seo idir an Ríocht Aontaithe agus an AE.

Arís, is mian liom buíochas a thabhairt thar cheann Fhoras na Gaeilge as an deis seo teacht i láthair an choiste agus cuirfimid fáilte roimh cheisteanna an choiste.

Acting Chairman (Senator Gerard P. Craughwell): I thank Mr. Ó Coinn. When I hear Irish spoken like that, it really saddens me how we lose the language so quickly when we finish school. It is a beautiful language which, when beautifully spoken, is quite a pleasure to hear.

Senator Paul Daly: Ar dtús, gabh mo leithscéal mar nach bhfuil an Ghaeilge go maith agam. Ba mhaith liom ceist amháin a chur anois. Tá fáilte roimh an bheirt fhinné inniu. Roimh Brexit, ní raibh aon ghrá ag Rialtas an Tuaiscirt don Ghaeilge. Má tá Brexit crua ann, cad is féidir le Foras na Gaeilge a dhéanamh agus cad is féidir linn a dhéanamh sa chás sin chun an Ghaeilge a shábháil sa Tuaisceart i dtosach, chomh maith leis an oileán go léir?

Mr. Seán Ó Coinn: Mar a luaigh mé, tá dhá mhór-rud gur féidir a dhéanamh. An chéad rud ná cinntiú go bhfuil tús áite ag na socruithe a bhaineann le Comhaontú Aoine an Chéasta thar comhaontú ar bith eile idir an Ríocht Aontaithe agus Poblacht na hÉireann nó an tAontas Eorpach. This is to make sure the structures and all the legislative arrangements that are associated with the Good Friday Agreement take precedence over any subsequent agreement that might be arrived at between the UK and the European Union.

Luaigh mé an easpa cosanta atá ar fáil ag an Ghaeilge ó Thuaidh sa chur i láthair, the lack of any protection for the Irish language in the North. The one area where the Government and local authorities are supported in their requirements in respect of the Irish language is the European Charter for Regional or Minority Languages. It is not a European Union document. It is associated with the Council of Europe but a lot of what is in the document pertains to standards that are affirmed by the European Union. The concern is that the UK Government would gradually move away from those standards because it would no longer see itself as being part of the EU. It underlines, probably more starkly than ever, the importance of some legislative protection for the Irish language in the North. So far as we can see, many of the political parties in the North are now of a mind to look towards some sort of protection - whatever that might entail. Support from the Government in the South would be very beneficial in that respect.

Senator Michelle Mulherin: I dtús báire, ba mhaith liom fíor fáilte a chur roimh na finnéithe. Leanfaidh mé ar aghaidh as Béarla. Gabh mo leithscéal. In general I would first like to agree with the Acting Chairman's comments that we take so much for granted. We are looking at the North-South context but the Irish language is part of our culture and it is a window and an opportunity to look at our identity and our origins. There is so much to it that it is good to support the language at every opportunity we can. I can well understand how, this far back from the North, people from a nationalist background would hold dear to the language as part

of their identity. It is not an affront to somebody else's identity but nonetheless it deserves to be supported. I have one question on the subject. I know that at the very least there is a war of words in respect of an Irish language Act in the North. I do not know that much about it but I wonder what would be the impact on what we are discussing here today, how it would impact on Mr. Ó Coinn's work and whether that is the sort of legislation he is proposing to protect and enhance the status of the language. Is this, in effect, what he is talking about?

Mr. Seán Ó Coinn: Essentially, yes. I hope the Senator will not take this as a correction but the Irish language is now seen as very much part of the identity of more than nationalists in the context of the North. One of the most significant projects we support is the Turas project in loyalist east Belfast. This promotes and teaches the Irish language to large numbers of people from a loyalist background. That project is now in its fourth year and is now an established project. It is making a significant impact in the unionist community, especially in working class areas in the North. The Irish language in the North is no longer an issue of nationalist identity; it is people associating themselves with the cultural identity associated with a language that for more than 2,000 years was a native indigenous language to all parts of the island. Although it is still the subject of political debate and division between a number of the parties, to a large extent - although not entirely - the language has now been removed significantly from the political dimension. The Alliance Party is one of the parties that are quite supportive of language legislation in the North. That shows the difference in the way the environment in the North has changed in recent years in respect of the language.

One concern I already have mentioned is the departure from the EU and its standards, together with all of those things that come to the two countries through their participation in the EU. This is not only about standards in commerce and trade but is also to do with standards in education, child care and all those aspects. Those protections will no longer be available to the community in the North. The Irish language makes great use of, and has a high reliance upon, those protections, for example, in the provision of Irish-medium education, for access to resources for Irish-medium education, for pre-school through the medium of Irish and for Irish to be available in our universities at third level education. To some extent these provisions are taken for granted in the South but they are by no means a foregone conclusion in the North. Just two years ago, a very well-subscribed third level course based in Belfast was closed as a cost-cutting measure and it was moved to one of the university's other campuses in Derry. That move disenfranchised several hundred people who were availing of that course and who were not able to travel outside of Belfast for that third level provision. It is this sort of provision that may be taken for granted in the South where there are protections and supports that are not available in the North.

I will let my colleague in at this point. As I am resident in the North in County Armagh, I have a very particular perspective on the language, even though my job is based here in Dublin. My colleague Mr. Shane Ó hEidhin is a born-and-bred Dub. He will be able to speak more authoritatively on the comparisons.

Mr. Shane Ó hEidhin: I would obviously concur with gach rud atá ráite ag Seán ansin. The need for an Acht na Gaeilge ó Thuaidh is brought into further focus by some of the threats and the difficulties outlined in the context of Brexit. Essentially, our concern is that some of the great progress that has been made in the last 15 to 20 years on a cross-Border, all-island basis could be another example of collateral damage to arise out of the Brexit process. It is something that we need the Government and agencies in the State and in the North to be aware of. There are unintended consequences. Mr. Ó Coinn referred to the university issue but there are

also issues regarding the summer colleges and the Gaeltacht areas. There are multiple, unintended, potential consequences economically for the regions and for the health of the language in the Gaeltacht. It could also affect the future through people who would be exposed to the Irish language going back to their colleges and communities and starting up their own groups. Networks are built up through that process and these are all being jeopardised by anything that could potentially cause a blockage in that movement across the Border and so on. Great importance should be placed on any support that can be brought in on this side of the Border to strengthen legislative provision to provide the protections, North and South but especially in the North. In the context of Brexit an Acht na Gaeilge is very important.

Senator Michelle Mulherin: I will ask one more supplementary question. I understand County Donegal is on the Border and we spoke about the Gaeltacht there but do people from the North go to Gaeltachtaí elsewhere? Do they go to County Mayo for instance?

Mr. Seán Ó Coinn: For the most part, there has been a long-standing tradition, going back to the 1930s and 1940s, for people to go to the colleges in County Donegal. In exceptional circumstances people would go to the other Gaeltacht areas, perhaps due to a family connection or something like that. For the most part, they go to the Irish language colleges in Gaoth Dobhair, Rann na Feirste, Anagaire, Inis Eoghain, Gleann Cholm Cille, Teileann agus áiteanna den chineál sin ina bhfuil na coláistí.

Acting Chairman (Senator Gerard P. Craughwell): I am delighted to hear that Gaeilge is being studied in east Belfast. I served with the Royal Irish Rangers 40 years ago and when we were overseas, we were Irish. That was it. Our identity was Irish. We had no other identity. We only parted on sectarian grounds or on nationalist versus unionist grounds on the boat when we passed the Isle of Man on the way home on leave. I believe that all of us, North and South, unionist and nationalist, identify ourselves as Irish and Foras na Gaeilge is to be congratulated for making inroads into east Belfast and places like that. We have a lot of work to do down here. People like myself need to rekindle our Gaeilge and be more proud of the language that is several thousand years old.

I thank Mr. Seán Ó Coinn and Mr. Ó hEidhin for coming. If Mr. Ó Coinn would like to make a concluding statement, I would be delighted to hear it as Béarla nó as Gaeilge.

Mr. Seán Ó Coinn: Níl rud ar bith breise le rá agam maidir leis an ábhar, ach go díreach ba mhaith liom comhghairdeas a dhéanamh leis an gcoiste. Tá scoth na Gaeilge ag na daoine uilig a labhair linn. Bhí cuid acu ag gabháil leithscéil as a gcuid Gaeilge, ach dá mbeadh an méid sin Seapáinis nó Mandairínis acu, bheidís ag déanamh mórtais. Sílim gur chóir dóibh bheith ag déanamh mórtais as an méid Gaeilge atá acu. Tá scoth na Gaeilge ag gach duine a labhair, cé nár labhair siad trí mheán na Gaeilge an t-am ar fad. Gabhaim buíochas leis an gcoiste as ucht éisteacht a thabhairt dúinn. Is deis an-mhaith í seo ár gcás agus cás na teanga a chur chun cinn. Tá súil agam go mbeidh na Seanadóirí in ann an cás sin a dhéanamh leis an Rialtas ar ár son.

Acting Chairman (Senator Gerard P. Craughwell): Go raibh míle maith agat.

The select committee went into private session at 5.05 p.m. and adjourned at 5.10 p.m. until 10 a.m. on Thursday, 8 June 2017.