

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 Máirt, 15 Meitheamh 2021

Tuesday, 15 June 2021

Tháinig an Comhchoiste le chéile ag 9.30 a.m.

The Joint Committee met at 9.30 a.m.

Comhaltaí a bhí i láthair / Members present:

Seanadóirí / Senators
Malcolm Byrne,
Timmy Dooley,
Robbie Gallagher,
Tim Lombard,
Vincent P. Martin,
Joe O'Reilly,
Niall Ó Donnghaile.

Seanadóir / Senator Lisa Chambers sa Chathaoir / in the Chair.

Trade and Co-operation Agreement, Northern Ireland Protocol, and EU-UK Relationships post Brexit: Commissioner Mairead McGuinness

Chairman: I remind members to turn their mobile phones off and to mute devices unless they are contributing to the debate. I welcome everyone to this meeting of the Seanad Special Select Committee on the Withdrawal of the United Kingdom from the European Union. We have no correspondence to consider and no minutes for adoption. The agenda for today's meeting is the trade and co-operation agreement between the EU and the UK, the Northern Ireland protocol, and the EU-UK relationship post Brexit.

I have to go through the usual privilege spiel for our witness, Commissioner McGuinness. Witnesses giving evidence from within the parliamentary precincts are protected by absolute privilege in respect of the evidence that they give to a committee. This means that a witness has a full defence in any defamation action for anything said at a committee meeting. However, witnesses are expected not to abuse this privilege and may be directed to cease giving evidence on an issue at the Chair's direction. Witnesses should follow the direction of the Chair in this regard and are reminded of the long-standing parliamentary practice to the effect that, as is reasonable, no adverse commentary should be made against an identifiable third party or entity. Witnesses who are to give evidence from a location outside the parliamentary precincts are asked to note that they may not benefit from the same level of immunity to legal proceedings as a witness giving evidence from within the parliamentary precincts and may consider it appropriate to take legal advice on the matter. Privilege against defamation does not apply to the publication by witnesses, outside of the proceedings held by the committee, of any matters arising from the proceedings.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on 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 remind members that are only allowed to participate in this meeting if they are physically located on the Leinster House campus. In this regard, I ask all members to confirm that they are on the grounds of the Leinster House campus prior to making their initial contribution to the meeting. If they are directed by the Chair to cease giving evidence in regard to a particular matter, they must respect that direction.

Our witness today is EU Commissioner for Financial Stability, Financial Services and the Capital Markets Union, Ms Mairead McGuinness. I understand that the Commissioner is going to make an opening statement so I will hand over to her. I thank her for her time this morning.

Ms Mairead McGuinness: I thank the Senators for the invitation to join them this morning because it is very timely. Next week, on 23 June, we will mark the fifth anniversary of the UK referendum to leave the European Union and, while I do not intend to rehash that decision or the events of the last five years, it is true to say that getting Brexit done was and is much easier said than done. It is also worth noting that the implications of Brexit for Ireland and Northern Ireland were known five years ago. Indeed, Sir John Major and Mr. Tony Blair came together in Derry and pointed out the realities of Brexit and the implications for Ireland in view of the fact that the invisible Irish Border would become the frontier between the UK and the European Union. In fact, Brexit reintroduced the word "border", which had long been forgotten, and

reintroduced the implications of the word for the island of Ireland. It is sad to say that those concerns were dismissed out of hand by Leave campaigners and they did not make a ripple in the overall campaign and debate on Brexit. However, five years later, and it is quite extraordinary to think that it is five years, these issues are still confronting us and some, I believe, are still in denial.

On 1 January this year, Brexit formally took place and we are now actively working to implement the EU-UK Trade and Cooperation Agreement and the withdrawal agreement. My colleague, Vice-President of the EU Commission, Mr. Maroš Šefčovič, is responsible for monitoring their implementation and co-chairs the joint committee and the partnership council with Lord Frost, his UK counterpart. I strongly stress to the committee that we want a good relationship with the United Kingdom as a close neighbour and a partner. We believe that relationship must be built on trust. Without trust we are nowhere. The Trade and Cooperation Agreement, TCA, and the withdrawal agreement provide the framework for the EU's relationship with the United Kingdom and the TCA represents the best possible outcome, given the UK's choice of a hard Brexit. We got as good a result as was possible within those limits - comprehensive access to the UK market with zero quotas and zero tariffs alongside a robust level playing field. The TCA gives the tools we need to build a positive and stable relationship with the UK. It also gives us the tools to monitor the UK's commitments and to guard against divergence.

Full implementation of the withdrawal agreement is also a prerequisite for a good relationship built on trust. After four years of difficult negotiations, the European Union and the United Kingdom agreed the protocol together. It remains the best and only possible solution to ensure peace and prosperity in Northern Ireland and to protect the Good Friday Agreement while protecting the integrity of the EU's Single Market. The protocol reflects the political choices of the United Kingdom. Indeed, the protocol was a UK choice. Members will recall that in the beginning the UK negotiated the backstop under the then Prime Minister, Mrs. Theresa May. Later, Mr. Boris Johnson pushed to renegotiate the withdrawal agreement and he agreed the protocol with the European Union. The EU agreed the protocol in good faith, expecting that an international agreement negotiated collectively with the United Kingdom and signed by the European Union and the United Kingdom would be fully implemented.

The UK's choice to leave the Single Market and the customs union has consequences. It makes trade between the UK and the European Union more difficult, with more red tape and more paperwork. The protocol addresses some of those consequences for Northern Ireland. Of course, there are still challenges with the implementation of the protocol, particularly when it comes to the movement of goods between Great Britain and Northern Ireland and especially around plant and animal health measures or sanitary and phytosanitary, SPS, measures, to use the jargon. On our side, the European Union continues to engage with the United Kingdom through the joint committee, in good faith, to find pragmatic solutions within the framework of the protocol. We want to help citizens and businesses in Northern Ireland to adapt and to limit the impact on daily life across the island of Ireland.

The Commission has already identified flexibilities and technical solutions, including on the very sensitive SPS measures, medicines, VAT and tariff rate quotas. On medicines, I stress that the European Union is very sensitive to public health issues, particularly in a pandemic. I assure the committee that the European Union wants to ensure absolute continuity of the supply of medicines to Northern Ireland. We cannot do this on our own, however. If we are to put forward practical, workable solutions, we need the United Kingdom to demonstrate that it is committed to full implementation of the protocol. In a way, there must be joint endeavour be-

tween both sides. Unfortunately, from our side, there are fundamental gaps in the UK's implementation of the agreement. The European Union has the tools to deal with these challenges, such as the infringement procedure launched in March due to the UK breaching its obligations under the protocol. If the UK were to take further unilateral action over the coming weeks, the EU would react firmly to ensure that the UK abides by its obligations under international law. There comes a point in a relationship when if one is not being fairly treated or treated with respect, there is a need to respond. I stress again, however, that we will continue engaging constructively with the United Kingdom.

The people on this island are aware that the impact of Brexit is already being felt and will continue to be felt for many years to come. Both the European Union and the United Kingdom have a responsibility to engage in close dialogue to ensure the full and effective implementation of the TCA and the withdrawal agreement but, as my colleague, Mr. Maroš Šefčovič, said recently, trust, which should be at the heart of every relationship, needs to be restored. To have trust, we have to know that the UK will meet the commitments it made under the arrangements.

I am happy to listen to the comments of members of the committee, which is an important committee, and to share with them some of the issues that are still to be resolved. I believe that with goodwill and a practical approach we can resolve those issues.

Chairman: I thank the Commissioner for her detailed opening remarks on Brexit. It was interesting to hear her refer to the backstop. It seems like a lifetime ago that we were in that space. It is almost five years since the referendum and we have come a long way, but there is still a long way to go.

I should have mentioned at the outset that I wish to congratulate Senator Dooley, who was confirmed at the weekend as interim co-president of the Alliance of Liberals and Democrats for Europe, ALDE, Party following the unfortunate recent death of the party's president, Mr. Hans van Baalen. We send our condolences to his family and congratulate Senator Dooley on stepping up to that position.

To ensure every member gets a chance to contribute, I propose to give each member five minutes. In that five minutes the member will ask his or her question or questions but must also allow time for the Commissioner to respond within the five minutes. If there is time we will have a second round, but everybody will have an opportunity to contribute in the first round.

On that note, I will put a question to the Commissioner. She said the EU would react firmly if the UK were to continue down its path, if I can paraphrase it, of taking decisions unilaterally. We saw recent reports from the excellent RTÉ journalist, Mr. Tony Connelly, in which he said that the EU will take a measured approach or response to any further unilateral moves by the UK to delay implementation of the Northern Ireland protocol. If the UK again extends the time or delays implementation of the Northern Ireland protocol, what will that measured response or firm reaction from the EU look like? What can Ireland expect? We were quite concerned at reports in the past week that there may be potential, as a last resort, to impose checks on goods coming from the Republic of Ireland to mainland Europe should the UK fail to implement the Northern Ireland protocol fully. I would welcome the Commissioner's comments and remarks on that.

Ms Mairead McGuinness: I thank the Cathaoirleach for both questions. As she said, five years later we are still having this conversation because, before the ballots were cast, there was not enough conversation about the practical implications of Brexit. There certainly was not a

focus on the real implications for Northern Ireland and the island of Ireland.

To deal with the Chair's second question on rumours and concerns about where checks might potentially take place, I was very happy to hear my colleague, Maroš Šefčovič, deny that completely. There is no interest at the Commission or in the European Union to make the problem an Irish problem because clearly this is a Brexit problem. It is a decision of the United Kingdom, which it took, in my view, without due consideration of the wider implications. Since the date of that referendum we have been trying to work towards agreements with the United Kingdom to minimise the disruption and damage.

In my view, Brexit is a fragmenting event and there is no upside to it. I know the UK takes a different view but I certainly do not see any upside. Even if we look at how we have to re-structure to engage with the United Kingdom, there are a plethora of committees now, which are perhaps more bureaucratic than if the UK was a full member, but that is in the past. I stress to the committee that there is no discussion in the college about the sensitive point raised by the Cathaoirleach that checks could take place elsewhere, the inference being that Ireland would be disadvantaged in terms of access to the Single Market. I can understand why these discussions are taking place and why people fear this, but I stress very clearly that it is not on the agenda and there is again, and remains, huge sensitivity to the island of Ireland and Ireland as a full member of the European Union.

On the Chair's first point regarding a measured response, it is important to reflect on what happened and why we were forced to take legal action. Imagine being in a room with somebody negotiating a deal, a conversation is had, the meeting ends and the second party goes outside to make a unilateral declaration that it will diverge from the agreement signed up to. This party has not told you or even passed a note to say this might happen or given the courtesy of a heads-up. That is very damaging because, when trying to work out problems, people have to be very honest with each other and deal with that in the room in a very honest way.

As to the measured response, the legal route is there. There are other potential avenues that are contained in the trade and co-operation agreement, TCA. It is not helpful for me to outline what might happen "if". It is important for me to stress that we hope that will not happen. We hope that whatever needs to be done to resolve the complexities around the settling in of the protocol in Northern Ireland will be negotiated around the table as equal partners, respecting each other's very different views but understanding that, when it comes to Northern Ireland, we have a shared responsibility. Again, all the efforts made from the moment of that referendum in 2016 right through to now are mindful of the unique situation of Northern Ireland. That was how Michel Barnier dealt with the TCA discussions and how my colleague, Maroš Šefčovič, is dealing with the issue now. He and I talk practically every day and exchange concerns, hopes and fears. We will do that again this afternoon in college.

Senator Malcolm Byrne: I thank the Commissioner for a very comprehensive presentation. I will try to be succinct with a number of points. Given we are seeing rising tensions in the North, we may yet see an election there and we are moving towards the marching season, does it make sense to look at a negotiated extension of the grace period? Related to that, and the Commissioner's point about building trust is very valid, what long-term mechanisms should we put in place to ensure trust is built between the various parties? The fear is that it will be sausages this month and chicken nuggets the next. There will always be an issue that may be used for political reasons.

My second question is on an issue that has come up regularly before this committee - it re-

lates to flour and we heard it yesterday on whiskey and dairy - which is flexibility around rules of origin. Does the Commissioner have views on that issue?

As the Commissioner is aware, the UK and Australia are due to sign a trade deal today, which is the first of the non-rollover trade deals. What impact will this have on Ireland, North and South, particularly on Irish agriculture? Does she believe it says something about the kind of trade deals the UK wants to negotiate into the future?

Ms Mairead McGuinness: I thank the Senator for the questions. We have not heard details about the Australia deal. It is very much a broad announcement, which, if it has not been made already, will say that they are going to reach a trade agreement. Of course, the UK is free to do that. When it comes to the detail, farmers in the United Kingdom and Northern Ireland are already very concerned, especially beef farmers, because if there is an increased quantity of beef coming from Australia, it will displace existing suppliers, including beef farmers on the island on Ireland. That will impact price. There are genuine concerns but let us wait until we see the detail of those trade agreements. It does seem a long way to bring product, but that is a separate issue.

On the rules of origin, when I was still a member of the European Parliament and, indeed, in the past five years, I had much representation from the dairy sector, which I am familiar with, and the alcohol sector about this issue. To be very clear, the rules of origin exist and are as they are. Brexit is the problem. Brexit has caused so much disruption, including to this all-island dairy market, which has developed over time because Northern Ireland does not have sufficient processing capacity. My late father supplied milk that produced Bailey's, so I have a personal interest in this and a real concern about the disruption to supply chains. This is an issue I know there is a lot representation on. I still say the rules of origin are as they are and changing them is problematic. What might be helpful is, if we can get over these difficulties around the broader implementation, in time we could look in a measured way at these issues. I note that, yesterday, the head of the dairy sector in the North very much supported the protocol while also raising problems. Frankly, we will continue to deal with problems arising from Brexit for decades because you cannot have been together for decades, as the UK and the European Union were, and unpick without problems.

We are all very sensitive to tensions in Northern Ireland. I am originally from County Louth and live in Meath. I have had the great pleasure of saying to my children that the past was not a good place but we have come a long way, through many efforts on every side in Northern Ireland and support from the US and the European Union. We should very much be mindful of that, and we all are, while understanding that Brexit is the problem that has caused all of these tensions to arise again. Perhaps, when the withdrawal agreement was signed, the UK Government did not take the opportunity of the time between that and Brexit happening to help market players adjust. The Irish Government did. Some of the messages for Irish supply chains were extremely difficult, but at least the message was given that they needed to adjust. In the case of Northern Ireland, that did not happen and it needs to. That is why we allowed for grace periods and, to the Senator's point, why, if grace periods are to be extended, the best and only way to do that is in discussion and with an agreed solution. If something is done unilaterally, it just does not help us to move forward because it raises concerns that this may be the way the UK intends to continue. That is why there is very much a worry at EU level that should that be the path the UK chooses, we have to examine how we deal with it, stressing again that we regard the UK and the European Union as needing to be as close as they were when they were together, even with some of the differences that emerged, because we have to deal with all sorts of issues, not

just the ones we talk about today but big global issues.

I apologise if I did not answer one of the Senator's points. I may have time later to refer back.

Chairman: The Commissioner was just on the button at five minutes. I will come in at four minutes to let people know how much time is left.

Senator Niall Ó Donnghaile: I apologise for missing the first part of the Commissioner's presentation. I am in the convention centre. It is probably easier to get the technological side of things sorted in Brussels than it is in the convention centre, but sin scéal eile.

I did hear the Commissioner reiterate a message of regret regarding Brexit and the fallout from it. As someone who comes from and lives in the North, and has been elected to the Seanad, I am acutely aware of the negative fallout from Brexit, not least in the context of the North having voted against it.

We heard various sectors reaffirming clear support for the Northern protocol at a meeting of this committee as recently as yesterday. The Commissioner touched on that matter. It is important to remember and reiterate that the vast majority of people, organisations, business sectors and stakeholders in the North are supportive of the protocol and that is the pre-eminent position of a range of society. It is, as I say, important to reiterate that point.

The issue of engagement has come to the fore recently from the sectors and key stakeholders. Representatives of the dairy and whiskey sectors were before the committee yesterday. They feel like they are banging their heads against a wall. I wonder how damaging the loss of the EU office and the Commission presence in the North has been. Is there anything we can look at, whether from the perspective of trade and co-operation or a citizens' rights perspective, in order to try to make up some of the lost ground? We know there was political controversy, the British Government refused the EU's request for an office and all of that. I do not think that should put an end to us trying to solidify, reaffirm, improve and tweak the level of engagement where it is needed. I am concerned that sectors are starting to feel that they do not have the same level of weight and breakthrough to the Commission and the EU institutions. I am also concerned that the clear majority view in support of the protocol is not getting the lift that it warrants.

Perhaps the Commissioner will take the opportunity to explain why the protocol is supported by so many people, the reason it is in place and the reason we need it to remain in place, going forward, if she has not already done so. I apologise again for missing the start of the meeting.

Ms Mairead McGuinness: I thank the Senator. There is no need to apologise. I can assure him I have had my fair share of technical hitches so we are all in the same boat. The Senator asked me to explain why the protocol is necessary. I stressed in my opening remarks that, in a way, the issue of Northern Ireland was not given sufficient attention when the decision to call a referendum was taken or during the campaign. I was still a member of the European Parliament at that time and my office was an open door in the context of representations from Northern Ireland because Northern Ireland had no voice. There was a real sense at that time that Northern Ireland's position was not getting enough of a hearing. I tried my very best to offer that.

At a wider level, we all know we need to engage more. The European Parliament, for example, needs to engage with the Northern Ireland Assembly. We need to have political conversations or chats to ease tensions. That is hugely important.

The Senator said that stakeholders are supportive of the protocol. It seemed to me that stakeholders who were supportive were a little concerned about expressing that publicly because of fear that it was not the story that was politically acceptable at a higher level in the United Kingdom. The business community now sees the opportunities of being rightly a part of the UK, with free-market access, and with equally free access to the market of the European Union. There are considerable opportunities in that regard and that is why we continue to say we need full implementation of the protocol to harness the potential opportunities that arise from this unique situation. There have, equally, been challenges and that is why if there were a deeper level of engagement, we could sort out those challenges. Let me be clear, if not blunt, when I say that when one signs something with a counter-party, one expects it to be implemented, not to be torn up. We are not sure whether the UK is actually committed to implementing it in full and would need clarity from the UK side on that. I read in opinion pieces, etc., that there is almost a suggestion the problem has been made by Europe because we forced the United Kingdom to sign the protocol. In fact, we favoured the Theresa May option but the UK and Boris Johnson chose otherwise.

Chairman: We are at five minutes.

Ms Mairead McGuinness: I will come back again at the end.

Chairman: I apologise for interrupting but I am conscious of the need to bring everyone in. I ask members to ensure that they leave enough time for the Commissioner to reply.

Senator Joe O'Reilly: Good morning to the Chair and the Commissioner. It is my great pleasure to congratulate the Commissioner and wish her well. This is the first public occasion I have had to express that. From my knowledge as one of her constituents, and as a colleague, I know she will bring huge energy and capacity to the role. That is clear already. I echo the Chair's congratulations to our colleague, Senator Dooley, on his European position. It is always good if we are gaining influence in our respective parties on the Continent.

Brexit is, of course, inherently divisive. It is divisive in Europe and, ironically and contrary to the intentions at the outset, it is divisive within the UK. The big anxiety I see, as has been touched on, is about our need to ensure that Ireland does not become collateral damage in a dispute between the UK and the EU around the protocol. Having said that, the protocol is crucial. The Commissioner touched on this a moment ago, but the business sector and interest groups in Northern Ireland are beginning to drift away from the politicians in their positions on the protocol. That was visible during our meeting with representatives of the dairy and whiskey industries yesterday. They are not *ad idem* with political leadership in the North on their view of the protocol. Will the Commissioner comment on how she sees the negotiations on the protocol? We in Ireland have a vested interest in a good trading relationship with the UK. That is clearly beyond measure and our interest is in a negotiated outcome rather than a conflict. I am interested to hear what the Commissioner anticipates will happen in that regard.

The veterinary agreement is much talked about, as are the SPS arrangements. How optimistic is the Commissioner in that regard? Those are crucial for the livestock business and for trading east-west. I am interested to hear the Commissioner's response.

I will return to the question about country of origin labelling that arose yesterday. I do not have to tell the Commissioner because of the constituency she represented when she was a member of the European Parliament how crucial that issue is. The food processing sector is a major one along the Border, in Meath, where the Commissioner lives, in Louth and in all of

those places. I will not go through the list of processing units but they are all over the place. They are the only show in town, economically and socially, and are a means of keeping people in the community. In some places, they are the only job available. It would, therefore, be disappointing if we did not do something about the question of country of origin labelling in the context of exports. I would be disappointed if that happened and I invite the Commissioner to come back on that matter. I was a little disturbed to hear her say that might not be alterable and I hope it will be.

Those are my comments. It is a great pleasure to talk to the Commissioner. The country is in safe hands with her.

Ms Mairead McGuinness: I thank the Senator for that endorsement and for his good wishes. While I live in the constituency of Meath East, I am actually a constituent in Cavan-Monaghan so the Senator and I have a shared territory.

I will turn to the points the Senator has made. Brexit is divisive and I have referred to its fragmenting effect. When the EU comprised 28 members, none of these problems arose. Five years later, we are seeing that Brexit was not easy at all. It is still quite a political story in the United Kingdom. From the EU side, we have, in a sense, moved on. We are trying to say that we need to implement what has been agreed and let us get on with our business. We have a public health crisis, issues that will arise from the recovery, unemployment and all sorts of things with which we need to deal collectively with the United Kingdom. I agree that the divisiveness does not help but I want to absolutely stress that while there is some bewilderment, to put it mildly, about how the UK is approaching these discussions, we are continuing to talk. It was interesting that Lord Frost made the point that there was no breakthrough in talks but there was no breakdown. Perhaps that is progress, in a nutshell.

The protocol is crucial because I shudder to think what the implications would be if there were nothing place. Perhaps some who are concerned about the protocol do not realise that they need to compare the protocol to the situation that would obtain if nothing was agreed. I think they are comparing it with life before Brexit, which is utopian and unreal. Perhaps even those in the North who voted for Brexit are now beginning to understand the implications of that vote. We will continue to negotiate in good faith and we want an agreed solution. The rules on animal and plant health origin are very important from an Irish point of view because we know what happens when diseases cross borders. We do say to the UK, and we have said it repeatedly as have others, that we can solve a lot of these problems even with a temporary agreement on sanitary and phytosanitary, not a forced agreement but a temporary agreement. I am being given the five minute science so I will come back on some of the comments on rules of origin, if I may, towards the end if the Cathaoirleach will give me some time.

Chairman: I remind members it is five minutes per member but in that five minutes members must give the Commissioner adequate time to reply to the questions.

Senator Robbie Gallagher: I congratulate the Commissioner. This is the first opportunity I have to do so publicly. I also congratulate my colleague, Senator Dooley, on his elevation. From the east to the west of the country we are well served in Europe.

I will be very brief as a lot of the points have already been raised by my colleagues. With regard to the protocol, I do have a degree of sympathy for the unionist community in that it has been very badly served by Boris Johnson and his Government. They are treated differently to any other part of the UK as a result of the protocol and we need to be sensitive to this fact. The

Commissioner, coming from the neck of the wood she does, is well aware of this. It is important that everyone in Europe is also aware of it.

Having said all of this, I can feel the Commissioner's pain, so to speak, on the huge frustration that must exist in the EU about its dealings with the UK Government. It is absolutely baffling to listen to Boris Johnson speak about a protocol he signed off on and, as the Commissioner outlined in her opening contribution, the UK Parliament signed and sealed the protocol. Now, it is as if he fell asleep during the entire process and is only waking up today to the ramifications of that agreement. This is truly frustrating.

At the end of her contribution, the Commissioner hinted the EU may have to play tough at some point in this, in whatever shape or form this may take. I am afraid we might become collateral damage in all of this, and I have no doubt the Commissioner is well aware of this. Europe might get fed up hanging around dealing with the UK and put the foot down, and we might be the losers in this regard because, potentially, no country will be as affected by the negativity of Brexit as us. Is this sentiment floating around in Brussels with the rest of the Commissioner's partners in discussions? Is she hearing this?

Other colleagues have made points on country of origin. It is important that every country shows flexibility on this issue, and this would extend to the EU. Country of origin was mentioned yesterday several times by representatives from the National Dairy Council and people from the whiskey community. It is something we need to be aware of and I would like to think Europe would show a degree of flexibility on this also.

Ms Mairead McGuinness: I thank the Senator for his comments and question. We need to be straight about this. There is frustration but equally there is pragmatism. We have good agreements and we want to implement them. We are trying to convince our UK colleagues that the best way to do this is at the table. I believe we can come to this position. We have had various waves where things get heated in the public space and we have to let them flow and then things settle back down again. The Senator is right to acknowledge and have a degree of sympathy for the unionist community. He summed up how perhaps they feel badly served. It is also important to stress that members of the unionist community supported Brexit. They did not support the Theresa May option. They believed Boris Johnson would deliver for them an agreement that would meet their needs. They find this is not now the case. We have to understand their sensitivity, and I do. I absolutely understand. I hope they will understand that what we are trying to do is solve the problems we have and find really good solutions to some of these problems.

I ask that rather than inflame a problem we need to deflate it and sort it. Perhaps there has been too much focusing on the difficult parts and ignoring the massive opportunities. Again, I would say the UK Government when it signed the agreement left it on the shelf and did not really interpret it or communicate it and did not put in the preparations needed in Northern Ireland to avoid the very situation we are in today. This goes back to the very famous line of getting Brexit done. If we do things in haste we will have regret and this is what we are now seeing. Certainly there is big regret throughout communities. We regret in the European Union that what is happening is actually happening. We do not need this. We need to work together.

Senator Vincent P. Martin: I congratulate the Commissioner and wish her the very best. This is the first opportunity I have had and how delighted we are she has found the time to meet us this morning. I wish Senator Dooley well on his recent appointment. I would like to get the opinion of the Commissioner on an issue and I invite her to comment on it. This is the much

used phrase about the best of both worlds for Northern Ireland. One aspect of this is Northern Ireland's relationship with the EU. In her previous capacity as an MEP, the Commissioner's door was always open to Northern Ireland concerns. The special select committee played that role in hearing these representations and passing them on, as do many other vehicles in the Oireachtas.

Northern Ireland does not rely on Whitehall to fight for it in respect of this one aspect of the best of both worlds. In the longer term, when east-west relations do not specifically cover the constituency of concern, although we are doing very well at present utilising existing infrastructural consultative mechanisms, is there not a need for more open formalised long-term two-way access for Northern Ireland in this new territory for the EU as well as Northern Ireland? What is the view of the Commissioner on this? They are very welcome and they come down to Dublin all the time, but could there be a more direct line? If not, the Oireachtas really has to look at this in a more than piecemeal way and have a formalised voice for them in the Oireachtas. We have to work on this even if it requires constitutional reform. I would like the views of the Commissioner on this.

Ms Mairead McGuinness: I thank the Senator for his good wishes. I really appreciate them. The Senator has raised a really important point on how we can engage formally and informally and have effective engagement because we do not have it at present and it is key. Perhaps the report could deal with some of these issues. When I was a Member of the European Parliament I dealt with national parliaments through the Conference of Parliamentary Committees for Union Affairs, COSAC, and I was a big supporter of this engagement because sometimes Europe is regarded as remote.

The European Parliament and national parliaments need to find a way to engage with Northern Ireland stakeholders that perhaps is not happening at present. Maroš Šefčovič has tried on a number of occasions to reach out with David Frost to stakeholders in Northern Ireland and talk through the problems and solutions. This invitation was not taken up. I wonder why this is the case because there is no doubt whatever our differences are, and the committee knows them, the best way to sort them is to talk about them and resolve them.

The Senator has hit on a bigger point, which is that in order to get over what has been a deeply fragmenting five years, when Northern Ireland's position is more unstable than it was because of the Brexit vote, which Northern Ireland did not support but being part of the United Kingdom has got to go with it, we need to find deeper ways and long-term engagement in order that we can solve problems before they get difficult. On a personal level, I was struck, when I was Vice President in the Parliament and my door was open to Northern Ireland stakeholders, that they felt they had no voice at a really critical time. The committee has a role to play. I also urge my colleagues in the European Parliament to look at what role they can play and I am sure they will do so because we all know that in politics whatever our differences are the only way to solve them is to talk. We need to find a way to calm the situation in Northern Ireland. We are coming up to a sensitive time and, therefore, what we are saying to the UK is that we should sit down and resolve these problems and work together to reduce tensions, to explain why things are the way they are and to find practical ways around particular problems for sectors and reinforce the positives. I do not know why that is not happening but I think it should. I would support whatever the committee does in relation to deepening that engagement, whether it is formal, informal or issue specific.

Before Brexit happened, if one talked to the farming community, there was no border. There is a dairy industry that is all-island and it worked really well. Brexit disrupted that. That is a

tragedy for in the industry, for farmers and their families and workers. Politically, we have to find solutions and ways of engaging.

Senator Timmy Dooley: I, too, want to be associated with the congratulations to the Commissioner and wish her well at this difficult time.

If the UK continues to refuse the alignment with the animal and plant standards, the SPS standards that we have talked about, has any consideration been given to a plan B at EU level? The Commissioner might share her thoughts on a proposal that emanated yesterday or the day before from the Minister, Deputy Coveney, where he suggested that it might be possible to find a middle ground with some kind of independent monitoring. What is the Commissioner's view on that or has the College of Commissioners had any thoughts there?

It is clear that the relationship between Šefčovič and Lord Frost is, at best, strained. Is there any role for Michel Barnier to resume some kind of an EU negotiating position? There is a lot of concern that Lord Frost might trigger Article 16 on checks on the basis of societal difficulties. While that at one time might have seemed somewhat remote, friends of mine in the North are telling me that they have never seen so many Union Jacks flying so early in the year and it clearly signals that there are societal difficulties there. Has the Commissioner any thoughts or views on that? I will leave it at that for the moment.

Ms Mairead McGuinness: I thank the Senator for his kind words. Equally, I congratulate him because, to the point of the previous question, the links between the European Parliament and national parliaments are really important. He is also a voice for the Irish issues because some colleagues in the parliament really do want to know more. Indeed-----

(Interruptions).

Ms Mairead McGuinness: -----an arrangement that reduces those checks and makes life easier.

There is no way that the Commission is saying to the UK that it must adhere forever to SPS standards. We respect that the UK has a different view and has now left the EU but for the sake of Northern Ireland, and at the time we are in and the tensions issues which the Senator alludes to, it would be a calming solution and perhaps would pour oil over troubled waters and get us over this particular difficulty to get to a better place because there are changes politically in Northern Ireland that we are all familiar with.

In relation to the strained relationship, Maroš Šefčovič has long experience in diplomacy and if he feels strained, he is not looking it. Frankly, he is trying to do his best to get agreement with the UK side. I think he has a good relationship with Lord Frost. Maybe the commentary afterwards does not say that but the fact that they can still sit down in a room and talk, in my view, is progress. There would not be any sense in which there are any attitudes there. We have a problem to solve and we will get on with it.

Michel Barnier was on television yesterday in France repeating exactly what the Commission is saying today. On Michel Barnier's role, we all regard him hugely for what he did and he supports the Commission's view on what is happening now.

On Article 16 and the tensions, I am aware of them. We all are sensitive to this issue. We would hope that that would not happen and, indeed, there are ways where things have to be

done to allow that to happen. First, let us try talk and see can we resolve these things without going there.

I do not have the details of the proposal by the Minister for Foreign Affairs. Effectively, what he is saying is that we have an SPS overarching framework that the UK was part of until 1 January. Effectively, it is still complying but will diverge. We are asking that in this very short period they do a temporary deal with us on this, give us that space for them to help their businesses and citizens in Northern Ireland, and take the tension out of these checks. I would be a little concerned that all we are focusing on in the public discourse are the problems and they are, therefore, becoming bigger than reality. They are feeding into a political narrative which is saying that it is nasty Europe that is doing this rather than nasty Brexit. Once we have that understanding, I would repeat with the opportunity of this important committee, we are open to doing a temporary arrangement on SPS to facilitate reducing tensions and allowing business to move on.

Deputy Timmy Dooley: I thank the Commissioner.

Senator Tim Lombard: I welcome the Commissioner.

We had an interesting meeting yesterday where we had representatives from both the whiskey industry and the dairy industry. They made it clear that the country-of-origin issue needs to be addressed and the implications are massive if you have 40% of Lakeland Dairies milk coming North. We need to get a solution here. This divergence in standards will be a big issue for us over the next few decades. Where will that divergence of standards go? How will the EU play a part in making sure that standards increase rather than decrease?

Last night, there was an interesting documentary on RTÉ with Michael Portillo regarding the participation in 1921. It is obvious it became about dialogue and about the ability to talk and engage. What functions or groupings can be set up to involve more dialogue at political level so that we have the opportunity, maybe between the EU and the UK, and even this Parliament and the UK Parliament, and Northern Ireland and the Republic, to have more dialogue. Where does that dialogue need to go?

Ms Mairead McGuinness: I thank the Senator for his kind remarks. It is a great opportunity for me to be able to share some thoughts with him this morning.

I will try and deal with the rule of origin in some depth because it was an issue across colleagues. As the Senator will be aware, the rules of origin exist because it is a way of making sure that our trading partners understand that the products we are producing comply with specific rules. On the dairy and whiskey sectors, I read the transcripts yesterday. I have also met them previously and I understand the dilemma. Let us park that to the wider issue of rules of origin.

If there were to be changes, we need to be mindful that that might have other consequences that might not suit us. Clearly, we have a specific interest in this issue but I would say here, and to the point that Senator Joe O'Reilly raised with me where he was concerned at my remarks, that what I am trying to be is frank and clear that as of now we are not renegotiating the rules of origin but that does not mean that the Senator in his capacity should not keep raising these issues and explaining the sensitivities of them, and see can we find solutions. What I would see as the priority at the moment is to focus on implementing the TCA and the withdrawal agreement, and then there will be these other issues that arise. I know it is very sensitive. The

Senator named Lakeland Dairies. I know this is a real issue because dairy cows and milk flow across that invisible border and Brexit has sundered that to some extent. Brexit has caused the problems now for us to look at rules of origin. What I am saying is, and I know Senator Joe O'Reilly was disappointed by my answer, sometimes it is better to be clear and truthful than to be fudging and say we can change these overnight. It is more complex than that. The committee has a capacity and a duty to make sure these issues are fully debated and understood. They may be dealt with in time but the priority now is focusing on implementation.

In relation to dialogue, this is a huge point. I did not get to see the programme last night but I will watch it. Dialogue is about talking and listening. In politics, we know that sometimes the listening bit is more important and the silences are better sometimes than the words. The EU is based on dialogue. A day has not gone by here or when I was in the parliament that there was not a disagreement about something but we did not walk away and slam the door. We worked around words, there was give and take, and we sorted things out. If anything, what Brexit shows me is the dangers posed by a fragmentation of the European Union. I am talking about the one nation of Great Britain and Northern Ireland wanting to be great, sovereign, free and independent but almost suggesting that the formal and informal contacts that the EU has given us are not as good as being able to stand up on one's own two feet. I take a very different view but that is maybe because I come from a smaller member state. Whatever the difficulties that we have had over time with the European Union we have a voice and we can use it for good or ill.

The biggest regrets that I have with Brexit are as follows. First, the last five years have turned us a little grey if I were to show my true colours. Second, Brexit has pulled apart the capacity for informal and formal engagement with the United Kingdom but it has made us set up an enormous architecture of a partnership council that is comprised of over 16 specialist committees. We have replaced one set of bureaucracy, which the UK would refer to, with a completely new set of bureaucracy but dialogue is important and so is listening.

Chairman: We have reached the 10.30 a.m. mark and all members have spoken. I thank everybody who has borne with me in terms of the tight timekeeping but it was necessary to ensure that everybody had an opportunity to comment.

On behalf of the committee I wish to say that we have had a worthwhile discussion with the Commissioner. This is our final public meeting before we start drafting a report next week with a view to publishing in July. This has been a really important engagement with the Commissioner because she is at the fore of the Brexit issue and has been able to give us the most up-to-date information this morning, which we really appreciate and I know that her schedule is busy.

The Commissioner will have seen from the vast array of questions and issues that we, as a committee, have had to grapple with over the last six months that there are a lot of issues that have yet to be resolved. She is right that we must focus on implementation and ensuring that people live up to, and abide by, what they signed up to. Obviously a particular concern for us here is to consider the tensions within Northern Ireland and try our best to ease them and allow people to cool off. From what we have heard at this committee, there is considerable support for the protocol from business, industry and many citizens in Northern Ireland. I suggest that the vast majority of people in Northern Ireland support the protocol and understand its importance.

As Senator Gallagher has said, it is important that we acknowledge that there is a significant community who have an issue with the protocol. I am not sure that the veterinary agreement or tinkering around the edges and making adjustments to the protocol will ever satisfy certain

groups in Northern Ireland. I think that is something we will have to work on for the next number of years, particularly as we approach the vote. Four years post implementation there is a vote on the protocol in Northern Ireland so we must be very mindful of that because the lines have been drawn.

The Commissioner can make some closing remarks and I thank her again.

Ms Mairead McGuinness: I thank the Cathaoirleach and all of her colleagues. It is important that I convey those specific issues to my colleagues here in the Commission and I will speak to Maroš Šefčovič this afternoon. I am happy to engage again, if that is appropriate.

I want to refer to one of the questions that was raised about the UK's decision not to allow the Commission to continue to have an office in Belfast. Clearly, it would be better if there were an office because if one is physically present one can engage and get a sense of what is happening. We must deal with the reality that the United Kingdom has taken a particular decision and wants to act in a particular way but with that said we must find other ways. So we have our London and Dublin offices. We have a Seanad and a Parliament in Ireland that wants deep engagement and I think that the European Parliament should be part of your thoughts for the future. I say that because, and I was reminded of it recently, John Hume did his best work in the European Parliament. Northern Ireland was his absolute and full focus but he needed the space of the European Union to find a way to talk peace and build peace. The sensitivities around that in the European Parliament run deep. There are many colleagues still in Parliament who remember that time and we should use that to get the European Parliament to be a wider voice, through different structures, in order that people in Northern Ireland have a sense that they will be listened to. We are not interfering. We want to listen and we want to help.

It does none of us good to know the reality that there is now increased tensions. Equally, there is now a political responsibility in Northern Ireland, the UK and the European Union to dampen tensions with practical solutions, which we have offered. If there were fewer headlines and opinion pieces but more dialogue in the room then we would be in a better place. I hope that we can get there and I believe that we will.

Chairman: I thank the Commissioner for her very sensible suggestion. I agree with her suggestion and I am sure that the committee members also agree.

On behalf of the committee, I thank the Commissioner for giving of her time and engaging with the committee. Today is the last day that we will hear from witnesses in a public session. The draft report will be forwarded to committee members very shortly and we will take the next couple of weeks to go through it, and finalise its contents. We are looking at a planned date of publication in the first week of July. I thank everyone. As there is no further business to be considered the committee now stands adjourned.

The select committee adjourned at 10.35 a.m. *sine die*.