

BREXIT BRIEF



Brexit Brief Issue 38: 19th April 2018



Introduction

Brexit Brief provides up-to-date information on the progress and content of the UK-EU negotiations, and brings together relevant statements and policy positions from key players in Ireland, the UK and EU.

The Brief is part of a wider communications programme covering the work of the IIEA's UK Project Group – including commentaries, speeches, texts and event reports – which are highlighted on the Institute website.

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Section One: State of Play

Negotiations Continue

The UK-EU negotiating process is continuing following the agreements reached at the March European Council on key elements of the Withdrawal Agreement and on the transition period, and the publication of the guidelines for the “opening of negotiations on the overall understanding of the framework for the future relationship that will be elaborated in a political declaration accompanying and referred in the Withdrawal Agreement.”

In her letter to the European Council President, Donald Tusk, prior to the March meetings, Prime Minister May welcomed the progress made and committed her government to full engagement in the planned programme of discussions.

Regular reports on the negotiations process reveal the range

of issues dealt with by the teams from the EU Task Force and the UK Department for Exiting the European Union. Recent reports list sessions on Technical clarification on the Financial Settlement; Technical clarification on Citizens' Rights; Separation Issues; Implementation; and Northern Ireland.

The timing issues for progress in the negotiations were made clear by the Taoiseach in his Statement to Dáil Éireann on the March European Council when he indicated that there was agreement “that we must review all the withdrawal issues including progress on the backstop at our meeting in June. This is essential if we are to make the progress necessary to have both the withdrawal agreement and the framework for the future relationship wrapped up by October, to allow sufficient time for the ratification procedures to be completed by next March. Urgency on all aspects of the negotiations is now required.”

Exiting the EU Committee Report

On 4 April 2018, the House of Commons Exiting the European Union Committee published its fourth report of the Session 2017-19, dealing with ‘The future UK-EU relationship’. The report, like the third report on the progress of negotiations, was adopted by a 10-6 majority, with prominent Brexiters, including Jacob Rees-Mogg, Christopher Chope and Sammy Wilson, voting against the text.

The key point of contention arose from the insertion of new text for Paragraph 114, which reads:

“The Government has rejected applying for EEA Membership because its view is that this entails accepting both free movement and EU law. Should the negotiations on a deep and special partnership not prove successful, EFTA/EEA membership remains an alternative and would have the advantage of continuity of access for UK.”

Jacob Rees-Mogg responded to the vote by describing the overall report as “another effort by remainers to reverse the result. The high priests of remain on the select committee voted to thwart Brexit by stealth.”

The main policy content of the report consists of a series of ‘fifteen key tests’ for the government’s final deal with the EU. These tests are set out in the following paragraphs:

[1] The criteria by which they and we will judge the political declaration that we expect to be reached by October will be the following:

[2] The border between the Republic of Ireland and Northern Ireland must remain open, with no physical infrastructure or any related checks and controls, as agreed in the Phase 1 Withdrawal Agreement;

[3] In the fight against crime and terrorism, arrangements must replicate what currently exists in operational and

practical cross-border co-operation.

[4] In particular, the UK must retain involvement with Europol and the European Arrest Warrant and continue to participate in the EU’s information-sharing systems including SIS II;#

[5] Institutional and decision-making frameworks must be identified to ensure that the UK is able fully to participate in foreign and security co-operation with the EU, to meet the challenges it shares with its neighbours in the EU-27;

[6] In respect of trade in goods, there must be no tariffs on trade between the UK and the EU 27; [7] Trade in goods must continue to be conducted with no additional border or rules of origin checks that would delay the delivery of perishable or time-sensitive deliveries or impede the operation of cross-border supply chains; [8] There must be no additional costs to businesses that trade in goods or services;

[9] UK providers of financial and broadcasting services must be able to continue to sell their products into EU markets as at present; UK providers of financial and other services should be able to retain automatically, or with minimal additional administration, their rights of establishment in the EU, and vice versa, where possible on the basis of mutual recognition of regulatory standards;

[10] There must be no impediments to the free flow of data between the UK and the EU;

[11] Any new immigration arrangements set up between the UK and the EU must not act as an impediment to the movement of workers providing services across borders or to the recognition of their qualifications and their right to practise;

[12] The UK must seek to maintain convergence with EU regulations in all relevant areas in order to maximise access to European markets;

[13] The UK must continue to participate in the European Medicines Agency, the European Aviation Safety Agency, the European Chemicals Agency and in other agencies where there is a benefit to continuing co-operation; The UK must continue to participate in the Horizon 2020 programme, the Erasmus+ scheme, the Galileo project and in other space and research programmes in order to support the work of our world-class academic institutions and the importance of cultural and educational exchange between the UK and the EU 27; [14] The UK must continue to participate in all relevant air safety agreements and the Open Skies Agreement to ensure no disruption to the existing level of direct flights.

[15] The UK Government must ensure maximum access to European markets while agreeing reciprocal access to waters and a fairer allocation of fishing opportunities for the UK fishing industry.”

The Chair of the Committee, Labour Party MP Hilary Benn, commented that the fifteen tests were based on previous pledges by the UK and EU following Brexit. “Our tests set a high bar but they are based on the prime minister’s vision for our future outside the EU and the statement by the Secretary of State for Exiting the European Union, David Davis, that any new deal would be at least as good as what we have now. It is vital that UK businesses are able to continue to trade freely and sell services into our largest markets after we leave, without additional costs or burdens or a hard border in Northern Ireland and that we maintain close cooperation on defence, security, data and information sharing and consumer safety.”

Northern Ireland

An Irish Times report of 02 April 2018 has highlighted a widespread feeling among business people that the political impasse at Stormont means that they are denied a voice in the on-going Brexit talks. William Taylor, the Northern Ireland co-ordinator of lobby group Farmers for Action said: “Northern Ireland has suffered too much

without a government and we have nobody to represent us on Brexit. Our elected representatives aren’t representing anyone, no matter which side of the fence you come from.”

The meeting, on 26 March 2018, of the Interparliamentary Forum on Brexit at the Scottish Parliament discussed the Scottish Government’s position on the European Union (Withdrawal) Bill and the wider Brexit process. The meeting brought together the Convenors and Chairs of the Committees dealing with Brexit-related issues in the House of Commons, House of Lords, Scottish Parliament, and the National Assembly for Wales. The official report of the meeting stated that “Officials from the Northern Ireland Assembly were in attendance as observers.”

The former First Minister of Northern Ireland, Lord David Trimble, warned that the stance of the Dublin Government on the post-Brexit Border risked provoking loyalist paramilitaries. He pointed to arguments for ‘special EU status’ which he argued would weaken the union and challenge the constitutional arrangements of the UK. “Anything that looks remotely like this or is building on that foundation would be extremely dangerous.”

Leading Government and Opposition figures rejected these warnings . Tánaiste, Simon Coveney, insisted that the Government had always accepted the democratic decision of the British referendum but that “we are fighting for the hard-won peace on the island of Ireland and, to that end, the EU27 reached agreement with the British government...guaranteeing avoidance of a hard border and maintaining full alignment North-South in the absence of a deal.”

A Financial Times survey on Northern Ireland and Brexit includes the significant comment by Andy Pollak of the Centre for Cross Border Studies that “The Good Friday Agreement has been a given since 1998 but now for the first time people are wondering what might happen if the agreement is genuinely undermined by Brexit.” The

Queen's University sociologist, Katy Hayward, adds the comment that a 'toxic mix' of recent events has deepened a sense of insecurity in the region, so that the biggest risk to the peace process isn't from paramilitary groups. It's from a disintegration of the democratic peaceful mechanism by which politics works in Northern Ireland."

Section Two: The Evolving Debate

Dail and Seanad Committees in London

A delegation from two Oireachtas Committees – the Joint Committee on European Union and the Seanad Special Select Committee on the Withdrawal of the UK from the EU - visited London on 26-27 March for discussions with key UK figures involved in the Brexit process. Led by the Committee Chairs – Michael Healy Rae TD and Senator Neale Richmond – the delegations met Suella Fernandes, Under-Secretary of State at Department for Exiting the European Union; David Lidington, Cabinet Office Minister; Labour Party Brexit Spokesman, Keir Starmer; and the Chairs and members of key Westminster Committees.

The delegation impressed on their interlocutors the importance of understanding the sensitivity of the border issue and called on senior British Minister, including Brexit Secretary David Davis, to visit the Border region as Brexit negotiations in Brussels intensify, "to see first-hand the difficulties that lie in either imposing technical solutions or returning to a hard border."

Department of Finance on UK Imports

The Department of Finance has published an economic research paper on 'Brexit: Analysis of Import Exposures in an EU Context' which examines the sectoral import exposure of the Irish economy and other EU Member States to the UK. The report describes Ireland as a 'substantial outlier' in terms of its import exposure to the UK in almost every sector and indicates that Ireland's import exposure is even more pronounced than its export exposure.

The most exposed sectors include food and live animals, machinery, transport equipment, chemicals, manufactured goods and mineral fuels. Across the EU-27, thirteen of the top fifteen subsectors most exposed to imports from the UK are Irish. This high import exposure highlights the potential disruption to Irish supply chains, in particular in the retail, agri-food and pharma sectors. In the services sector Ireland is considerably less exposed to the UK with regard to imports than exports.

The Minister for Finance, Páchal Donohoe, commented that the paper "examines an area that has, until now, received less discussion" and argued that "understanding all of the transmission channels of the impact Brexit will have on the economy is important to develop the appropriate policy response. The results highlight the need for us to continue taking steps to prepare our economy for Brexit."

In a related development the same Department has reported that it has collected emergency plans from all government departments, amounting to 280 documents in preparation for the possibility of no deal being reached on Brexit. The reports sought from the departments are intended to feed into a government-wide response to the challenge of a disorderly Brexit, including any emergency legislation required and measures to deal with high tariffs and delays at Irish and UK ports. The potential number of additional customs and excise staff and related resources required by the Revenue Commissioners to manage post-Brexit checks has been assessed.

Garda Concern on post-Brexit immigration controls

Senior Garda officers have indicated growing concern that Ireland will become a 'staging post' for illegal immigrants destined for Britain after Brexit, and that a much more concerted approach by authorities in both countries will be needed to prevent illegal immigrants entering any part of the Common Travel Area. It was considered 'all but certain' that immigration checks would be introduced within the CTA for the first time, involving checks on people leaving Ireland for Britain and vice versa.

Section Three: Background Material and Further Reading

Background Material

House of Commons Exiting the European Union Committee. The Future UK-EU relationship. Fourth Report of Session 2017-19. 4 April 2018 (www.publications.parliament.uk/pa/cm201719/cmselect/cmexeu/935/935.pdf)

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The Guardian Keir Starmer: "We cannot allow Labour to break apart over Brexit." Guardian, 24 March 2018 (www.theguardian.com/politics/2018/mar/24/keir-starmer-we-cannot-allow-labour-to-break-apart-over-brexit)

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Peter Brennan **Behind Closed Doors. Blackhall Publishing.**

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Further Reading

2016 - 2017
Timeline

23rd June 2016	●	The UK votes to leave the EU
24th June 2016	●	David Cameron signals his intention to resign as UK Prime Minister
26th June 2016	●	European Council appoints Didier Seeuws as head of Brexit Taskforce
13th July 2016	●	Theresa May becomes the new Prime Minister of the UK
9th September 2016	●	European Parliament names Guy Verhofstadt as the European Parliament's Brexit negotiator
16th September 2016	●	Bratislava Summit of 27
1st October 2016	●	Michel Barnier starts role as Head of EU Commission Brexit Task Force
6th December 2016	●	Michel Barnier holds first press briefing on Brexit, notes Northern Irish issues
17th January 2017	●	Theresa May outlines the objectives and principles for the UK's withdrawal
24th January 2017	●	UK Supreme Court Ruling on Article 50
2nd March 2017	●	Northern Ireland Assembly elections. No new executive formed.
9th-10th March 2017	●	Re-election of Donald Tusk as European Council President
13th March 2017	●	UK Houses of Parliament pass the Article 50 Bill without amendment
25th March 2017	●	60th Anniversary of the Treaty of Rome
29th March 2017		<u>UK invokes Article 50</u>
5th April 2017	●	European Parliament adopts resolution on the UK's withdrawal from the EU
19th April 2017	●	Theresa May calls for snap General Election on 8th June 2017
29th April 2017	●	European Council adopts its guidelines for the Brexit negotiations
7th May 2017	●	Emmanuel Macron defeats Marine Le Pen to become President of France
22nd May 2017	●	The General Affairs Council of the EU authorises the opening of negotiations with the UK
29th May 2017	●	European Commission releases draft position papers on Article 50
8th June 2017	●	UK General Election results in a hung Parliament. Minority Conservative government formed with support from the DUP

18th June 2017	●	President Macron's Party wins largest share of vote in French Legislative Elections
19th June 2017	●	<u>Negotiations between the UK and EU begin</u>
22nd-23rd June 2017	●	European Council Summit
1st July 2017	●	Estonian Presidency of the Council of the EU begins
17th-20th July 2017	●	<u>Round two of UK-EU negotiations</u>
28th - 31st August 2017	●	<u>Round three of UK-EU negotiations</u>
22nd September 2017	●	Theresa May's Florence speech
24th September 2017	●	German Federal Elections. Chancellor Merkel elected to fourth term.
25th-28th September 2017	●	<u>Round four of EU-UK negotiations</u>
1st-4th October 2017	●	Conservative Party Conference
9th-12th October 2017	●	<u>Round five of EU-UK negotiations</u>
15th October 2017	●	Austrian Parliamentary Elections. Sebastian Kurz's ÖVP wins the largest share of vote
19th-20th October 2017	●	European Council Summit
9th-10th November 2017	●	<u>Round Six of EU-UK Negotiations</u>
19th November 2017	●	Coalition negotiations in Germany collapse
8th December 2017	●	EU and UK make 'sufficient progress' on Phase One issues
14th-15th December 2017	●	European Council authorises opening of Phase Two
1st January 2018	●	Bulgarian Presidency of the Council of the EU begins
22nd-23rd March 2018	●	Timeframe for preliminary transitional arrangements
Late March 2018	●	Expected timeframe for opening of talks on the framework for future
	●	You are here!
28th-29th June 2018	●	European Council Summit
1st July 2018	●	Austrian Presidency of the Council of the EU begins
October 2018	●	European Council Summit
December 2018	●	European Council Summit
1st January 2019	●	Romanian Presidency of the Council of the EU begins
29th March 2019	●	<u>Deadline for UK withdrawal</u>
May 2019	●	European Parliament Elections

2017 - 2019
Timeline

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