Brexit - Modal Impacts

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Aviation-the issues

- UK access to the European Single Aviation Market decisive in the rise of Low Cost Carriers (LCC's).

- Benefitted from freedom of establishment rules to set up in countries with:-
    - Low labour costs
    - Ability to operate anywhere in EU without limitations on:-
        - Pricing
        - Capacity
        - Frequency

- Upon Brexit, UK licenced carriers will cease to be "Community air Carriers" as defined in Regulation (EC) No 1008/2008.

- Also cease to benefit from the terms of the Multilateral Agreement on the Establishment of a European Common Aviation Area.
    - Upon Brexit UK-licenced airlines will loose their right to fly to and from the EU and between the remaining EU member states.

Aviation-post Brexit solution

- Access to the EU's internal market for air transport can be retained by the UK joining the European Common Aviation Area (ECAA):-
    - By joining the ECAA the UK would have to accept EU aviation laws
    - Incompatible with the UK's stated aim to extricate itself from the jurisdiction of the Court of Justice of the European Union (CJEU)

- Alternative to above is :-
    - For the EU and UK to agree an Air Services Agreement as close to the ECAA as is possible
    - Must be reached as a matter of urgency and retain as many benefits as possible

Aviation-impact with non EU carriers

- UK benefits from air traffic rights negotiated at EU level with third party countries.

- EU-US Open Skies Agreement allows
  - EU and US airlines to fly between points in the EU and US

- To retain the status quo the UK will have to either;-
  - Sign up the EU-US Open Skies Agreement or
  - Negotiate a bi-lateral agreement with the US.

Aviation Security

- Ironically most of aviation systems currently in use in the EU originated in/from the UK

- Regulation EC 300/2008 governs:-
    - It lays down common rules and basic standards on aviation security and on procedures to monitor their implementation.
    - It applies to all civil airports in the EU, as well as to air carriers and entities providing goods or services to or through these airports.

- Aviation Security Regulation relative to EU ACC3 programme is:-
    - Commission Implementing Regulation 2015/1998
    - Air carriers that fly air cargo or mail into the EU from a non-EU airport are required to comply with the EU ACC3 programme for inbound cargo and mail

Roadfreight

- 80% of the UK's trade with the EU is carried by road and there is a general acceptance that road is the mode most impacted by Brexit:-
    - Regulation
    - Customs
    - Driver related

- Following issues will have to be addressed:-
    - International Road Licencing
    - Employer Certifications
    - Vehicle Technical Standards
    - Cabotage
    - Infringements and penalties.

- Will there be a shift from accompanied to unaccompanied trailers on the Dover Straits route?

Roadfreight

- Potentially a new Land Transport Agreement with the EU is negotiated as a matter of priority.

- The EU and UK currently have common regulatory standards:-
  - Concern is divergence at a later date.

- Solution lies in:-
  - UK adopts current standards
  - Future agreement allows for a mechanism to allow the UK to play a role in developing in future standards

Oceanfreight

- Generally agreed that this is the sector least impacted by Brexit.

- Currently a ship can be registered on the British Register including corporate bodies:-
  - In the EEA
  - And the Commonwealth

- What will cabotage rights available to UK shipping operating in the EU and vice versa post Brexit?

- Will there be fewer direct services between the UK and rest of the world post Brexit?
  - Rise of the feeder vessel service?

- Emissions and the SECA?
- Customs:-
  - Congestion due to more checks
  - Proof of Union Status

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