

Minutes of the Maritime, Road and Rail Policy Group Meeting

Minutes of the Customs Policy Group Meeting held via Zoom on the 10th June 2020. The meeting commenced at 10 am.

Agenda item 1 – Competition Statement

The Chair read out the Competition Statement at the commencement of the meeting

Agenda item 2 - Agree the Minutes of the meeting of 12th February 2020

It was agreed that the Minutes were an accurate reflection of the meeting, the Chair advised the BIFA Secretariat to sign them.

Agenda item 3 - Matters arising from the Minutes of the 12th February 2020

The only action point was to establish whether Members were willing to use video means to attend meetings. The impact of COVID 19 had dictated that this was the only available method to hold meetings.

Agenda item 4 – Impact of COVID 19

BIFA Secretariat had represented Member views to Government, there had been some failures such as the DFT's disinclination to look at high demurrage rates. However, the Association by working with the JCCC had secured two notable successes, which were the easements relative to operating ETSF's and the three consecutive payment holidays for holders of Duty/VAT Deferment Accounts.

Perhaps the single greatest success had been persuading Government to agree that freight forwarders were "key workers".

The meeting noted that it had been a particularly busy time for the Secretariat and that the Association had maintained a steady flow of Government information and practical guidance for Members to follow.

Peoples experience of working from home had been mixed:-

- Some colleagues had enjoyed it, whilst some had found it stressful
- More effort had to be devoted to internal communications to develop a team spirit
- Many noted that the same amount of work took longer lowering productivity
- Many staff wanted at least to be able to work from home on occasions (commuting concerns)
- It was agreed that nothing will replace face to face communications

Regarding BIFA meetings there had been a varied response to how to restart regional member engagement. Some Members were happy to amalgamate with other regions and hold meetings focussing on a single topic. Others wanted to resume the traditional face to face meeting at a local level

Regarding recovery two points in particular were noted.:-

- The number of blanked sailings of ULCVs from the Far East
- Number of cancelled ferry sailings

The UK's recent implementation of a 14 quarantine period on most arrivals into the UK reduced demand for cross Channel Ferry travel

The general feeling of the meeting was that there would not be a recovery this year and that it would be Q1 of 2021 before there was any significant upturn:-

- Importers had high inventory levels
- There was little industrial demand
- High Street was very flat
- Cautious consumer mindset
- Lower productivity rates because people are working from home.

It was noted that on the Belfast to Liverpool ferries that demand was very high for passenger only tickers because the air travel had been disrupted.

Agenda item 5 EU Exit

The fourth round of talks between the UK and EU had been held during the first week of June but little progress had been made in reaching an agreement. Also, the Government had issued a series of papers detailing the Government's position on a variety of issues.

On air there nine freedoms were being reduced to 4, on road, the RHA had confirmed that market access was still largely dependent on the outcome of trade negotiations. It was pointed out that UK hauliers may have to purchase ECMT/Bilateral permits in order to access EU markets. Generally, the EU and ECMT requirements were aligned so in a practical sense there would be little operational change.

Currently the Government was stating that it would not be seeking, (by the deadline date of 30th June 2020) an extension to the Transition period which was due to end on the 31st December 2020.

The basic negotiating position of the UK Government was to seek a free trade agreement with the EU similar to the latter's with Canada. Goods meeting origin criteria could be traded duty free, but a customs declaration would be required. A preference entry is more complex than a non-preference customs declaration because it would require origin information to support any preference claimed.

One area of particular concern related to the need to submit a Safety and Security declarations although it was noted that current legislation does permit this to be included in the import declaration if lodged prior to the goods arrival at destination. The problem was that individual customs systems could not facilitate the combining of the declaration.

There was a discussion regarding the BIFA EU readiness survey, which directly contradicted public statements by Michael Gove. The key findings of the survey were that Members believed that Transition should be extended and there were concerns regarding training staff,

Agenda item 6. BIFA matters

BIFA was moving its training courses to an online platform as it was believed that there would be little face to face training of the rest of the year. The YFN although reduced in numbers because staff were furloughed had held its first meetings and a virtual tour of London Gateway was scheduled for the 11th June.

The Secretariat and Regional Consultants were rebuilding Member engagement gradually . Because of the additional heavy workloads stemming from COVID 19 and EU exit, it was difficult to find sufficient time to learn new technology.

Agenda item 7. CDS and Customs Matters

The CDS Programme is in the process of formally closing, having in their opinion delivered the Minimal Viable Product (MVP). A view not shared by Trade which had highlighted system shortcomings

A new Programme is being established to manage the next phase of changes to CDS. Called 'The CDS Northern Ireland Programme' it will deliver the key CDS functional and non-functional changes required to support the implementation of the Northern Ireland Protocol, and some unfinished items that the original CDS Programme had not completed .

The new programme will cover the following areas of scope;

- Deliver functional changes to support the movement of goods into and out of Northern Ireland
- Uplift CDS system performance to support the anticipated volume of Northern Ireland declarations
- Add critical new requirements necessary to enable trader migration for traders who move goods between GB-NI and NI-ROW to alleviate the need for resource intensive workarounds
- Deliver functional changes to CDS to support the Goods Vehicle Movement Service (GVMS) for December 2020
- Completing delivery of remaining functional requirements, including changes essential for CSPs and Software Houses to migrate customers to CDS

As a consequence of the NI Protocol changes required, no new trader migrations are being planned, and priority will be given to migrating Traders involved in NI, when CDS is ready.

In order to be UCC compliant (as required by the NI Protocol) , all trade from GB\ROW to NI will transacted CDS, as CHIEF is not UCC compliant. The fundamental issue is that CDS CDS is currently not ready fulfil this activity

HMRC are working on changes required and are trying to keep these to a minimum but the time this gets to trade test (later this year) won't give the CSPs and SWDs enough time to test implement these changes.

Agenda item 8. Sustainability issues

It was noted that this topic was still very much on the EU's agenda with state aid being linked to companies implementing Green initiative, Hapag Lloyd had been offered German State aid but one of the conditions was that the moved to lesser polluting fuels. The line was investing in Hydrogen technology, which was in general seen as a more viable and flexible form of motive power than battery power.

The meeting noted that following difficulties with battery powered vehicles:-

- Disposing of the “spent” battery, because they were regarded as damaged and therefore could not be easily transported for disposal
- In countries heavily reliant on coal powered electricity stations, electricity was more environmentally damaging than a EURO VI compliant vehicle.
- Battery power was in the main suitable for smaller vehicles than large commercial ones
- The break even point for battery powered vehicles to be more environmentally friendly than fossil fuelled vehicles was estimated at 50,000 miles

The meeting heard that FIATA had taken on an employee to oversee the sustainability agenda. BIFA had been in contact emphasising that the needs of SME's must be considered and carbon calculation methods must be simplified particularly in a multimodal environment.

Agenda item 9. Regional Reports

These were introduced by the relevant Regional Consultants; two additional points being highlighted. In Northern Ireland businesses were becoming increasingly nervous about the possibility of a “No Deal” EU Exit and were relocating to the South.

Regarding northern ports efforts to encourage lines to re-route vessels from south and east coast ports, their support of “Freeports” was noted. BIFA would remain neutral on the issue but three points were noted:-

- Linking the Freeport to a physical location was problematical because of a lack of land for expansion
- Modern Customs regimes gave the same benefits as the Freeports
- Guarantees had not been required for customs activities undertaken within a Freeport's boundaries, unlike for customs regimes. It was noted that for Special Procedures in future no guarantee would be required.

Agenda item 10. Date of Next meeting

It was agreed to hold the next meeting in September using Zoom