

15 January 2020

UKTF (2020) 6 – Commission to EU 27

Subject: Internal EU27 preparatory discussions on the future relationship: "Transport"

Origin: European Commission, Task Force for Relations with the United Kingdom

Remarks: These slides are for presentational and information purposes only and were presented to the Council Working Party (Article 50) on 15 January 2020. The contents are without prejudice to discussions on the future relationship.

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Internal preparatory discussions on
future relationship

Transport

AD HOC WORKING PARTY ON ARTICLE 50 (*Seminar mode*)

15/01/2020

General introduction

If UK withdraws with agreement on 31 January 2020:

Transition period of 11 months for:

- 1. adoption of negotiating directives;**
- 2. conduct of negotiations;**
- 3. signature/conclusion and entry into force of future agreement by 1 January 2021**

=> *Complex and politically sensitive negotiations*

=> *Change of regulatory regime as of 1 January 2021*

Purpose of the seminar series

- Respect established EU principles and objectives:

- 1. European Council (Art. 50) guidelines on the framework for the future EU-UK relationship, 23 March 2018;**
- 2. Revised Political Declaration agreed with the UK government on 17 October 2019, setting out the framework for the future relationship between the EU and the UK.**

- Preparing the negotiating directives

- Take into account Member States' views

- Commission will present the recommendation after UK withdrawal

→ no surprises

→ allow for swift adoption

Aviation - Access

A. Baseline scenario

- The UK ceases to be part of fully liberalised EU Aviation Market
- All current EU law-based rights, obligations and benefits cease:
 - No traffic rights (end of market access)
 - Ownership and control rules
- No WTO fall-back

B. 2018 European Council Guidelines (§11)

“The aim should be to ensure continued connectivity between the UK and the EU after the UK withdrawal [...] while ensuring a strong level playing field in highly competitive sectors”

Political Declaration (§58): EU-UK agreement to include “access, investment” as well as “provisions to ensure open and fair competition”

C. 2018 European Council Guidelines (§7)

“There can be no ‘cherry picking’ through participation in the Single Market based on a sector-by-sector approach”

E. Elements to be considered

- I. Comprehensively addressing air transport
- II. Ensuring connectivity
- III. Addressing level playing field

F. Connectivity

- Typically granted by the EU to third countries
- Cannot amount to de-jure or de-facto participation in the Single Aviation Market

G. Other aspects

- I. In addition to cross-cutting provisions, sector specific level playing field provisions
- II. Operational and commercial flexibility provisions (e.g. code sharing)

Aviation - Safety

A. Baseline scenario

- Agreement on aviation safety not a prerequisite to ensure continued connectivity
- All current EU law-based rights, obligations and benefits cease:
 - End of participation of UK in European Union Aviation Safety Agency
 - End of mutual recognition of certificates

B. 2018 European Council Guidelines

- Aviation safety included in European Council Guidelines (§11)
- Political Declaration (§59): enabling cooperation in aviation safety

C. Elements to be considered

Regulatory cooperation, but

- no participation in EASA
- no mutual recognition

Aviation - Security

A. 2018 European Council Guidelines

- Aviation security included in European Council Guidelines (§11)

B. Elements to be considered

Commission Implementing Regulation (EU)
2019/413:

United Kingdom has been recognised as applying security standards equivalent to the common basic standard on civil aviation security (“One Stop Security System”)

Road transport

A. Baseline scenario

- In the absence of any other agreement, the only way to access each other's road haulage market post-transition is based on limited quota system of the European Conference of Ministers of Transport (ECMT)

B. 2018 European Council Guidelines (§11)

- Continued connectivity between the UK and the EU
- Political Declaration (§60) “Comparable market access for freight and passenger road transport operators”, underpinned by appropriate level playing field considerations

C. Extent of market access

Participation in the Single Road Haulage Market

→ Not available for non-Member States (except participants in the internal market, cf. EEA)

Connectivity

→ Point-to-point journey, incl. unladen journeys

D. Other aspects

Level playing field as regards requirements for

- operators
- drivers

Vehicles (e.g. ensuring modern tachograph technology)

Occasional and regular bus and coach transport

→ Interbus agreement (situation will be assessed throughout 2020)

Other modes: Rail and maritime
transport

Rail

- The provision of railway services in the EU is subject to the following permits:
 - Licence for the railway undertaking (Chapter III of Directive 2012/34/EU)
 - Single safety certificate for the railway undertaking (Article 10 of Directive 2016/798)
 - Train driver licence (Article 7 of Directive 2007/59)
 - Rolling stock authorisation (Article 21 of Directive 2016/797)
 - Safety authorisation of the infrastructure manager (Article 12 of Directive 2016/798) – question in relation to the Channel Tunnel
- ➔ No restrictions to market access, nor cabotage, provided establishment in the EU
- ➔ No requirements for 'ownership and control'

Maritime

- Conditions for access to be considered in line with standard FTA provisions

Conclusions

- Transport is a fundamental component of the trading relationship
- Across modes, UK operators can no longer have the same access rights as a Member State operator