

FTA Water Freight Council Agenda & Papers

19th February 2019

09:30 – 12:30

One Great George Street, Westminster, London, SW1P 3AA



AGENDA

- 1. Welcome and introductions**
- 2. FTA Conduct of Meetings Policy** Meeting papers
- 3. Minutes and actions of previous meeting** Paper circulated
- 4. No Deal Brexit** Meeting papers
 - 4.1 Ro Ro Easement: Transitional Simplified Procedures*

Briefing on new transitional simplified procedures for traders using Ro Ro ports in the event of No Deal, and discussion to obtain member views.
 - 4.2 Member Preparedness*

FTA would like feedback from members on any preparedness work they have carried out and how FTA could help beyond advice already shared with members.
- 5. Maritime 2050 Update - DfT** Presentation

DfT will brief members on the key points of the strategy and implications for the freight sector
- 6. MSRS Review** Paper circulated

Discussion on the MSRS (Mode Shift Revenue Support) as requested by the DfT Freight Grants team.
- 7. Coastal Shipping – How to Grow the Market** Meeting papers

Coastal shipping has been in decline around the UK; FTA proposes to develop a new policy study in this area to influence the DfT's broader Maritime 2050 agenda.
- 8. Road Haulage and Container Ports – Working to Resolve Congestion Problems** Meeting papers

Discussion of FTA proposal to set up a workstream involving members across the supply chain to help resolve road congestion problems at container ports
- 9. Update Items** Presentation
 - 9.1 Abnormal Loads
 - 9.2 Inland Waterways in London: Thames - Safeguarded Wharves
- 10. Meeting Arrangements and Events for 2019** Presentation
- 11. AOB**

2. GUIDANCE FOR CONDUCT OF FTA MEETINGS INVOLVING MEMBERS

FTA provides a broad range of valuable services for members and represents them on a range of issues. It is vital however that FTA staff and members remember that certain meetings are composed of a group of competitors and therefore special care is required to ensure that there can never be any suggestion of any form of anti-competitive behaviour – business practices which prevent or reduce competition in the market. In order to protect FTA and its members, there are therefore matters that should not be discussed and certain precautions that should be taken

Members must not discuss competitively sensitive information. **Competitively sensitive information covers any non-public strategic information about a business's commercial policy that could lead to a competitive advantage.** Competitively sensitive material includes (but is not limited to): individual company costs; individual company prices; sales volumes, revenues, volumes, capacity, utilisation, stock levels or supplies; confidential plans about the future; and, matters relating to individual suppliers or customers.

These following guidelines must be kept in mind when attending meetings involving members:

1. The FTA and its members are committed to adhering to applicable competition laws in all their activities. It is the responsibility of each participating member of each meeting, to ensure that its activity in connection with the FTA meeting complies with applicable competition laws.
2. A named member of FTA staff shall be designated as the **Secretary** of a meeting and be responsible for adherence to these guidelines.
3. A written **Agenda** of meetings will be circulated in advance and be held on file by the Secretary.
4. Detailed and accurate **Minutes** will be circulated to all attendees, after the meeting and held on file by the Secretary. Those minutes will include an accurate list of all members present at the meeting.
5. Membership of FTA, its Councils and Working Groups will be open to representatives of **all relevant organisations** active in the UK, as defined in the Articles of Association and By-Laws.
6. A complete **list of members' names and affiliations** of each Council and Working Group will be held on file by the Secretary, such information being extracted from the FTA membership database.
7. Members will be **formally reminded**, by the **Secretary**, at the **start of every meeting** that they must not discuss competitively sensitive information.
8. There will be **no discussion of competitively sensitive information** (that is not publicly available) either in the formal meeting or otherwise outside of the meeting during breaks.
9. There will be **no coordination of commercially sensitive activity** through the FTA meeting.
10. Should meetings depart from this guidance or if an exchange of competitively sensitive information appears to be taking place or be about to take place, the Secretary or the individual attendee noticing the breach, shall be responsible for notifying the Secretary. The Secretary should draw members' attention to this guidance and prevent further exchanges occurring. This shall be accurately minuted.
11. Any member of a meeting who believes that a meeting is departing from these guidelines should follow the steps in 10 above and be **entitled to leave** the meeting and have their comments and the time of departure minuted.
12. Where any activity of the FTA may involve the passing of commercially / competitively sensitive information that is not publicly available, then such activity may only be carried out after **specific legal advice** has been taken to ensure that the activity is consistent with applicable competition laws.

FTA February 2018

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ITEM 4. NO DEAL BREXIT

4.1 CUSTOMS EASEMENTS AT RO RO PORTS

In the event of No Deal, HMRC has put in place transitional simplified procedures (TSP) to make it easier for traders to import goods from the EU using Ro Ro.

a) Guidance on TSP - Summary

TSP reduces the amount of information that importer traders need to give in an import declaration when the goods are crossing the border. They also allow traders you to defer:

- giving a full declaration
- paying any duty

To use TSP traders will need to:

- apply to defer any duties payable – HMRC will inform traders to do this when the streamlined process for deferring duty is available
- have a financial guarantee by 30 June 2019 for any duties deferred

To register to use transitional simplified procedures traders must:

- have an EORI number
- be established in the UK
- be importing goods from the EU into the UK - including goods travelling via the EU from the rest of the world providing they have cleared EU customs formalities

Traders cannot register to use transitional simplified procedures if:

- the only goods you import are coming into the UK directly from outside the EU
- they choose to use a customs special procedure for your goods
- they're acting on behalf of a trader (for example you're a freight forwarder)
- They have had overdue tax returns, have not paid tax or duties due or the business is insolvent

Further Guidance

- Guidance is available on [gov.uk](https://www.gov.uk)
- Letter sent to VAT registered businesses on TSP is [here](#)

b) Discussion with Members and HMRC: Customs Working Group

The FTA Customs Working group met with HMRC on the 5th February to learn more about the TSP- recorded below as a Q&A:

TSP can "top up" existing deferment accounts

- Q: If a business has large volumes of EU imports but already has a deferment account they use for RoW trade; would they need an increased deferment account under ND Brexit?
- A: HMRC responded that the TSP can be used for the additional guarantee requirement; no need to get HMRC authorisation to increase the existing deferment account guarantee

Liability

- Q: Where does liability to pay duty sit?
- A: With the trader

S&S Declarations

- Q: Are there any easements planned for Safety & Security Declarations (ENS and EXS).
- A: Not able to say anything about that

Unaccompanied trailers?

- Q: Does this apply to movement of goods by unaccompanied trailer?
- A: Not sure – will need to take that away and come back with an answer

CTC Transit

- Q: How does this impact Transit (CTC) arrangements?
- A: No affect – Transit requirements will be the same; but noted that a trader could end a Transit movement in France and complete the rest of the movement using TSP

WTO rules

- Q: Is this scheme legal under WTO rules given it provide far easier process for EU than RoW imports?
- A: HMRC is confident that it complies with WTO rules. Long-term aim is not to keep the TSP.

Applicable for Ro Ro only – issues for shippers

- Q: Can you confirm that this is for Ro Ro only? There may be issues as some shippers may not have control over which mode is used. Also could some operators consider this to be an anti-competitive policy given it favours Ro Ro?
- A: The aim is to provide an easement at Ro Ro ports. Government is considering whether it could be useful for other modes.

Republic of Ireland Issues

- Q: What does this mean for Republic of Ireland – UK trade?
- A: The above scheme is applicable for flows from Ireland to mainland UK. The scheme does not apply to flows between Northern Ireland and the Republic of Ireland.

No export benefits

- Q: Does this have any benefit for exports?
- A: No

Parcels

- Q: How do goods under £135 sit the overall framework given the Value Added Tax *Postal Packets and Amendment) (EU Exit) Regulations 2018?
- A: HMRC said they would take this question away for a further response.

c) View from Customs Group members

Following the discussion with HMRC, there was a debrief discussion for member feedback. Overall members felt FTA should be supportive of this measure but noted it could be improved:

- It should be extended beyond Ro Ro so that all shippers benefit; to avoid complications where goods are routed away from Ro Ro by forwarders; and avoid possible complaints by non-Ro Ro transport operators
- There are some questions outstanding, e.g. whether TSP can be used for imports via unaccompanied trailers and the relationship to VAT for goods under £135
- There are limitations in that it provides no easement for exports; this is in the control of EU border authorities, and does not address the need for Safety and Security Declarations

d) Questions for Water Council Members

- Are there other issues and questions about TSP that members wish to raise?
- Do Water Freight Council members support the FTA view expressed through the Customs Working Group?

4.2 BREXIT PREPAREDNESS

With the deadline for the UK's exit from the European Union (EU) on 29 March 2019 rapidly approaching FTA is asking feedback from members at all our Council meetings in Q1 2019 on preparedness work they have carried out, and how we could help beyond advice already shared with members.

FTA has provided its members with detailed guidance and recommendations on how to prepare for Brexit, through monthly webinars, a weekly Brexit e-news and with a guidance note on Brexit preparedness shared as a supplement to Freight & Logistics and launched new Brexit services to provide members needing more detailed or personalised advice with dedicated help. Please see fta.co.uk/brexit for further details.

FTA would like to understand what steps members have taken or are in the process of taking to prepare for Brexit, such as

- Management of border delays and supply chain/delivery disruptions.
- Capacity to deal with new administrative requirement of a customs and regulatory nature.
- Ability to cope with potential transport restrictions
- Access to EU workers – both permanent and employment agency workers.

Questions for members

- What examples of contingencies, already in action or prepared if necessary, can members give?
- What could FTA do to help members further, based on existing advice, activities and services?

ITEM 7: COASTAL SHIPPING - GROWING THE MARKET

Coastal shipping has been in decline around the UK; FTA proposes to develop a new policy study in this area to influence the Department for Transport's (DfT's) broader Maritime 2050 agenda.

There is currently no national strategic policy for coastal shipping, but there is a grant-funding scheme to help new services to launch. FTA is proposing to develop a set of policy options and recommendations to grow the coastal shipping market, similar to the 2016 Inland Waterway report "Lessons from the Thames".

This would include the current grant scheme and summarise other barriers and opportunities. This could be adopted by DfT as part of its wider Maritime 2050 review of all waterborne policy issues. Success in this area could lead to a more competitive and financially sustainable coastal shipping sector, which in turn would contribute to congestion relief on UK roads.

FTA supports coastal shipping as one of the means to reduce road congestion and provide an alternative for logistics decision-makers.

Questions for members:

- What would members consider to be the key barriers to growth?
- Would they be prepared to discuss this further with FTA?

ITEM 8 - ROAD HAULAGE AND CONTAINER PORTS

Members from across the supply chain have reported road congestion problems at container ports. FTA has been raising this issue across its Freight Councils across the UK in Q1 2019 to assess the scale of the issue and generate feedback.

Below is a short summary of feedback so far:

- Container ports we have spoken to would like to find a solution and, in some cases, have already incentivised off-peak and weekend access success.
- Feedback from hauliers indicates a perception in some cases that their customers (shippers) require deliveries at specific times, making it difficult to take up off-peak port access slots.
- Discussions with a small number of major shippers members does not align this view, with some reporting that they run 24 hour sites.

Proposal for discussion

So far, FTA has had these conversations in separate member meetings. The proposal now is for members to meet to discuss the issues openly and see if solutions can be identified that would suit all parties. The outcome could potentially be a good-practice guide and ideally an agreement to trial alternative ways to manage the issue. If approved this could be arranged for the June/July round of meetings and hosted by FTA or possibly a member site.

ITEM 9: UPDATES

Item 9.1 Abnormal Loads

FTA is calling for a fair and transparent approach to the movement of abnormally heavy loads to support the water-preferred policy and avoid additional road congestion. FTA will update members on the response received from DfT on this issue and next steps.

Item 9.2 Inland Waterways in London: Thames - Safeguarded Wharves

FTA and members to feedback and share information on the latest on the GLA review of safeguarded wharves and what next steps should be taken to influence GLA policy making.