Dear Baroness Taylor

Thank you for the Committee’s 8 March report that examined the Haulage Permits and Trailer Registration Bill. Following Committee stage and in advance of Report stage on 17 April, I am writing to respond to the recommendations set out in your report and provide you with information on a number of relevant amendments that the Government has now tabled which will address some of the points raised.

Scope of the Bill

The report states that we may not bring forward regulations under this Bill, so I would like to clarify the scope of the Bill. The UK’s overall aim in the negotiations with the EU is to maintain the existing liberalised access for commercial haulage, but regardless of the outcome of the negotiations we expect to bring forward regulations under both parts of the Bill.

The first part of the Bill provides the powers to introduce a legal framework to regulate the allocation and enforcement of permits, where permits are required for the carriage of goods in, to, or through a country outside the UK. The use of a permit scheme for UK and EU hauliers will only be required if an international agreement sets this out.

I understand the concern about creating delegated powers if they were not going to be used at any point in the future in relation to EU exit, but this Bill has a wider application than just to our road haulage access with the EU; it will also apply to our bilateral agreements with non-EU countries. Non-EU agreements have previously been dealt with under administrative powers. This Bill is repealing the International Road Haulage Permits Act 1975 and bringing in a new framework. To ensure consistency in the administration, allocation and enforcement of permits, non-EU agreement permits will be dealt with under this new framework. This also means that a UK haulier can use one online system to apply and get permits for the EU as well as non-EU countries, reducing burden on hauliers.

The second part of the Bill, covering trailer registration, will also come into effect, as this is required as a consequence of ratifying the 1968 Vienna Convention. The Convention will be ratified regardless of our negotiations with the EU.
Additional Information and Illustrative Examples

The report acknowledges that while the Government position remains unclear due to the nature of our negotiations with the EU, Peers require more information regarding the delegated powers in the Bill. I wrote to all Peers in advance of Committee stage and provided overview documents and policy scoping documents with more details on the proposed regulations.

My Department will continue to consult with stakeholders in the coming months to discuss the regulations in more detail. The Government has tabled an amendment which will require the Secretary of State to consult such representative organisations as he thinks fit. This is consistent with the consultation provisions in other transport legislation and will provide sufficient flexibility to consult those affected by the regulations being made.

Improving Scrutiny

Following the DPRRC report and Committee stage of the Bill, the Government has tabled amendments requiring regulations made under this Bill in relation to haulage permitting, trailer registration and offences in particular to be subject to affirmative procedure in the first instance. In line with the views expressed by the DPRRC and in the Committee stages of this Bill we agree that it is appropriate that the first regulations should be subject to further scrutiny. By applying this in the first instance we can ensure that Parliament has the opportunity to scrutinise the overall approach, particularly regarding the powers used under clauses 1 and 2 which will set out the way in which the permitting system and allocation will work, under clause 12 which will set out the approach to trailer registration and under clause 17 on offences. If and when amendments are made to the regulations the framework will already be in place and as such any further changes are likely to be minor, the Government takes the view that the negative procedure provides an appropriate level of Parliamentary oversight.

The report outlined that regulations under clause 8 should also be subject to additional scrutiny. There is no power to make regulations under Clause 8 itself; it simply relates to regulations made under other clauses.

Inserting Sunset Clauses

The report also made recommendations regarding the insertion of sunset provisions. I agree that the Bill should not provide powers that may never be used, but the use of the regulation making powers set out in the Bill does not depend on the outcome of negotiations with the EU and will be used in any event in relation to applications outside the EU context, for example in relation to applications pursuant to our bilateral agreements with non-EU countries. As the regulations will be used whatever the outcome of EU negotiations, a sunset provision would constrain our ability to manage permit applications for bilateral agreements with non-EU countries so we do not believe this is appropriate.

Other Government amendments

Following other debates at Committee stage the Government has also laid two other amendments to the Bill:

Reporting - Looking forward to the potential impacts of regulations made under the Act on the road haulage industry as a result of a permitting scheme, the Government has tabled an amendment which places an obligation on the Secretary of State to lay a report before Parliament. The obligation to report arises when regulations require permits, only a certain
number of them are available, and those regulations apply to at least one EU Member State. The report must assess the effect on the UK haulage industry of any such restrictions. The obligation is to report after a year, if such restrictions apply at any time during the year, and there is a continuing obligation to report on succeeding years.

**Permit Allocation** – We do not yet know the details of our future relationship with the EU. As the approach will depend upon the negotiated outcome, it is important that we have the flexibility to allocate international haulage permits in a different ways. Random selection and first come first served are approaches that also support this flexibility. For example, the Bill allows random selection to be used in addition to, or in conjunction with, the criteria set out in regulations in order to decide which applicants to grant a permit. Random allocation could be used to assign a proportion of permits where similarities between applicants make it impossible for the criteria alone to distinguish between them fairly. It may also be appropriate to allocate permits on a first come, first served basis, for example when there is little demand, so granting permits as operators apply for them would be a sensible and efficient method.

I hope that this letter is helpful and has sufficiently addressed the points set out in the Committee’s report. I note that some of the issues raised by the Committee were also covered in the separate report on the Bill published by the DPRRC. Therefore I have written a similar letter and am copying this response to Lord Blencathra, Chair of that Committee. If you require more information or would like to meet, please contact my office or the Bill team on HaulageTrailersBill@dft.gsi.gov.uk.

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