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UK transport needs a Brexit strategy

Brexit - if it occurs - will repatriate huge areas of transport policy to the elected assemblies in London, Edinburgh, Belfast and Cardiff

► The Brexit debate was generally framed as a choice between the risks of “leaving Europe”, and the stability of retaining a place within the EU. This is to misunderstand the nature of the European Project, which was always intended as a long-term process of imperceptible harmonisation, leading to the gradual emergence of a federated European state. There has never been a ‘no change’ option, and this can be clearly seen within the bus and rail sector.

“Ever Closer Union” has already had huge effects on UK transport since Britain joined the then Common Market in 1973. The list of current EU transport “competencies” - meaning areas where European has replaced national policy - is now both wide, and deep.

Having spent years on CPT Council, and 18 months as CPT president, I gradually gained a very practical sense of how much sovereignty the UK had quietly signed away.

The EU currently influences - and in many cases exercises detailed control - over the hours that bus drivers can work, the number of annual days of driver training, the process to approve the design of buses and their components, the emission levels of vehicle engines, the means by which central and local government may specify and subsidise services, the licensing of bus operators, over public procurement rules and the framework in which competition policy is assessed.

The EU’s tentacles have increasingly extended into the rail sector too, dictating

the arrangements for subsidising railway infrastructure, the level of domestic competition in rail freight, and the design and operation of rolling stock.

The EU sets the broad outline of competition policy, and can directly intervene in certain cross border transactions.

These powers - the so called “acquis communautaire” - were always intended to grow. The “European Five Presidents Report” - hardly mentioned in the referendum campaign - clearly describes EU plans to coordinate national budget-setting and important aspects of taxation and company law.

None of this was mentioned in 1973 and has occurred with minimal political debate, and strong support from elites in the UK and on the mainland.



Now we can vote them out

The late Tony Benn - a noted Eurosceptic - was fond of asking five key questions about democratic legitimacy:

1. What power have you got?
2. Where did you get it from?
3. In whose interests do you exercise it?
4. To whom are you accountable?
5. How can we get rid of you?

A British exit from the EU will address these questions. Power will be repatriated from the technocratic and opaque European institutions to elected bodies in London, Edinburgh, Belfast and Cardiff.

Britain will also escape the planned extension of EU authority into further areas of transport and broader commercial policy. This will have huge implications, and create large opportunities, for UK transport.

Lunchtime O'Booze

Over the last 25 years, heroic CPT officials have accumulated incalculable Eurostar frequent traveler points, sat through countless dull meetings with Slovenian MEPs, and consumed life-threatening volumes of Belgian beer in attempts to lobby and cajole for better outcomes for UK bus operators.

CPT has scored many victories, either on its own, or through alliances with sister organisations across the sprawling union. But much of CPT’s success has been negative - preventing ill-conceived policies, diluting the most damaging aspects of poorly-drafted legislation.

Britain’s influence has tended to diminish as the EU has enlarged, but also because of fundamental differences of outlook between the UK model of commercialised transport provision and the European norm of dirigisme. UK operators simply cannot compete with the armies of lobbyists fielded by the giant state-controlled entities, or the powerful blocs from Germany and France.

Exit from the EU will de-complicate UK decision-making, and reduce the current need to reach pan-continental compromises. It will be up to British politicians and civil servants to frame and implement much more of the transport agenda.

I’ve always been struck that many of the measures promoted at a European level - whilst plausible on paper - lacked any clear evidence basis. Why is working time limited

to 48 hours per week? Why should the EU set guidelines for the award of local transport contracts? Why is the Single European Floggletoogle 5.9mms in diameter?

Very often the justification is either “harmonisation” - the imposition of a national (very often German) norm across the whole EU, or what someone once called “the inevitability of gradualism” - the idea that the process of harmonisation is desirable in itself.

The 1922 precedent

How will Brexit occur? The precise nature of exit is unclear, but as always, there are historical precedents. For example, when Ireland separated from the United Kingdom, in 1922, it inherited huge volumes of legislation from 800 years of entanglement with the British state. Since that time, the Irish Republic has been free to amend, repeal, or maintain, as the Irish Parliament saw fit (at least until Ireland joined the EEC in 1973).

What this means is that most “European” laws and regulations are likely to remain in place from Brexit day. It will then be up to the newly empowered UK government to decide what to do with them. Huge areas of policy will return to democratic control in Westminster and the devolved assemblies. Expect a gradual divergence from the EU, not a revolution.

An agenda for post-Brexit reform

The bus and rail industry needs to prepare a clear, well-reasoned programme of regulatory changes that would improve economic efficiency and which can command support from a broad range of stakeholders, including staff, passengers and local authorities.

The scope to liberalise vehicle standards is probably limited, because of genuine economies of scale in the wider European supply chain. UK bus operators are probably stuck with “Euro” emission standards, whether we remain in the EU or not. But the UK sector should be able to avoid egregious plans for EU-mandated electrification of local transport. I would also

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expect to see greater flexibility in the design and layout of bus bodies, and the process to approve vehicle types, and modifications.

The big opportunities probably lie on the operating side, where the arguments for harmonisation have always been weakest.

Firstly, we should escape the slowly-gestating proposals for EU-mandated local transport plans, and the associated concept of central review. The preparation of transport plans is surely a matter for the appropriate local authorities.

The emerging agenda of EU-wide passengers’ rights, will presumably be escaped.

Exit from the EU should provide UK governments with greater flexibility to determine their own policies with regard to subsidies. Reform of subsidies will be far simpler. This flexibility could be a vital factor in allowing England’s devolved mayoralities and transport operators to develop innovative means of incentivising and subsidising local transport networks.

There will be scope to adjust employment legislation to reflect national preferences, and this will doubtless be one of the key political battlegrounds once politicians realise that EU rules are no longer sacrosanct. I would personally question the need for “EU” drivers’ hours and the nonsensical requirements for harmonised driver training standards.

Lobbying for change in these areas will not be easy, but it is more plausible than seeking change within a system designed to operate at a continental level. I would expect UK politicians to be responsive - Britain will need a clear pro-business message if it is to neutralise current uncertainties and offset the undoubted downsides of Brexit to some economic sectors.

The downsides

The EU will no longer provide legal protection to businesses subject to egregious action by national government. Who will protect the bus operator whose assets are confiscated by an aggressive local authority, or a radical Labour government, committed to widespread renationalisation? (if there is a Labour Party by 2019)? Operators will have to look to the British higher courts for appeal, as they did in the past.

Since 2004, British transport has become heavily dependent on European economic migrants who have provided battalions of well-motivated, skilled and valued staff. Such

employees have been of immense benefit to our sector. Post-Brexit, immigration policy will be a fundamental issue for UK transport - getting this wrong is probably the biggest downside risk in the medium term.

Masters of their domain

Success will require culture change within government. Many UK civil servants have been ‘Good Europeans’ - happy to enthusiastically implement European directives in the unquestioning manner of colonial civil servants receiving telegrams from London in the 1890s. This will have to change, and ministers will find that they are responsible for huge additional areas of policy. “Blaming Brussels” will no longer be the default option, and this may explain some establishment reluctance around Brexit.

The Scottish play

What about Scotland? My current assumption is that the Scottish government will achieve some kind of associate EU membership, irrespective of any second independence vote.

Scottish legislation has been diverging from “rUK” since the creation of the Scottish government in 1999. A Scotland that is “independent” of rUK, but increasingly intertwined with an EU that is now clearly led from Berlin, will inevitably move further in a continental direction. Scotland, with about 1.5% of the EU’s population, will have to make its own voice heard on transport matters, as on everything else. I would expect its practical influence on EU policy to be minimal.

Outlook

We must now plan for a period of legislative and market turbulence. But the upsides are substantial, and the democratic deficit inherent in the EU’s technocratic structure can now be addressed. Eurostar’s Bruxelles route will suffer, but democracy will benefit. ■

ABOUT THE AUTHOR

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