

Ian Russell

From: Ian Russell <ian.russell@codeway.com>
Sent: Monday, February 4, 2019 12:36 PM
To: 'fcocorrespondence@fco.gov.uk'
Subject: FW: ACTION THIS DAY Commission on Arrangements in Ireland

From: Ian Russell [mailto:ian.russell@codeway.com]
Sent: Monday, February 4, 2019 11:47 AM
To: 'huntj@parliament.uk' <huntj@parliament.uk>; 'stephen.barclay.mp@parliament.uk' <stephen.barclay.mp@parliament.uk>; 'coxg@parliament.uk' <coxg@parliament.uk>; 'david.lidington.mp@parliament.uk' <david.lidington.mp@parliament.uk>; 'karen.bradley.mp@parliament.uk' <karen.bradley.mp@parliament.uk>
Cc: 'James Cartlidge' <james.cartlidge.mp@parliament.uk>
Subject: FW: ACTION THIS DAY Commission on Arrangements in Ireland

Dear Ministers

I am forwarding the email (below) I sent to James Cartlidge, my MP, as Brexit is hardly a constituency matter.

It proposes that the Attorney General negotiates an agreement with the EU to sponsor a Commission on Arrangements in Ireland. This will demonstrate the determination of the EU and UK to find an alternative to the backstop as set out in the Political Declaration.

I have indicated why this is better than looking for technological and other devices to include in the Withdrawal Agreement. The outcome will be arrangements between all the parties in Ireland that will obviate any need for internal border controls.

May I also point out this there is nothing vague or uncertain about this proposal and it will be valid for a deal or no deal.

Your sincerely

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From: Ian Russell [mailto:ian.russell@codeway.com]
Sent: Monday, February 4, 2019 8:24 AM
To: 'James Cartlidge' <james.cartlidge.mp@parliament.uk>
Subject: ACTION THIS DAY Commission on Arrangements in Ireland

Dear James

I would like to expand on the points in my email last Wednesday to stress a Commission on Arrangements in Ireland is a serious proposal to resolve the impasse over the Withdrawal Agreement.

If all else fails, as it may, I am sure Geoffrey Cox would be able to present this proposal to the EU and the Irish Government as an offer they should not refuse.

To that end may I ask you to pass this on to the Foreign Secretary and if possible the Attorney General and the Brexit team.

On Thursday Jeremy Hunt told the BBC it will take a few days to put alternative proposals together. He gave the impression the EU is looking for something they can agree to.

The EU may accept one or other of the alternatives HMG is working on but at in public at least they have said they will not. As things stand the EU appears unable to give Parliament and the country the assurances they need to approve the deal.

My email proposed another approach based on the Political Declaration which Donald Tusk says is open for discussion. It will lead to the alternative arrangements you voted for on Tuesday with no need to renegotiate the backstop in the Withdrawal Agreement.

An agreement on this approach would mean the backstop need never come into effect. That should enable the Commons to vote for the deal.

My email said:

In their Political Declaration last November the UK and the EU stated their determination to establish alternative arrangements to replace the backstop. Neither is able to say what these should be.

The parties can unlock this situation with a binding agreement (a) to set up a Concerted Action to find viable solutions within a year and (b) to publish an Implementation Plan within two years.

If there is a will, as Mr Hunt indicated there is, it should not take the EU long to agree to the establishment of a Commission on Arrangements in Ireland. The Concerted Action would involve stakeholders and a multi-disciplinary team of experts. The Implementation Plan would ensure there is no hard border.

COMMENTARY

It is not for me to propose terms of reference for this Commission or what the outcomes should be.

However I would like to offer a few comments before I outline the origins of the proposal. These are to show why everyone can be sure the Concerted Action will succeed.

Concerted Action

The concerted action will have to work through the spectrum of possibilities in each sector, from doing nothing to imposing a hard border.

These possibilities will have to be categorised according to their availability for use.

For instance:

1. *Immediate*: uses methods and technologies already in general use such as business software and the internet.
2. *Medium term (3-5 years)*: requires standards and guidelines for using existing technologies already in widespread use such as barcodes and proof of delivery systems.
3. *Long term (5-10+ years)*: needs international agreements related to imports and/or proof of concept for other automatic identification, data capture and control systems.

Implementation Plan

The Commission would propose a phased Implementation Plan based on evaluation of the viable possibilities of against socio-economic criteria. In other words choose the simplest methods that will do the job in a robust way.

Scope

The border in Ireland has been the focus of attention but, if you don't want anyone to notice it, you must look elsewhere for solutions.

The starting point should be the whole of Ireland. This means the arrangements can be worked out in Ireland.

The cost of the backstop

The backstop has a potentially high socio-economic cost. Especially if it results in no deal.

Tracking and traceability

Some form of traceability is likely to be key to an alternative arrangement. Traceability is already required in many industries and is becoming the norm in others.

The essence of traceability (applied to a country/company) is to track what comes in (imports/purchases), what goes out (exports/sales) and what happens in between (production and distribution).

Business systems

Most larger companies, and smaller ones in organised supply chains, already have systems for identifying goods and accounting for their movements as well as for VAT. This means they already have the basic infrastructure they will need to comply with new arrangements and to prove that they have done so.

These companies will be able to extend their systems to provide the data the authorities need to monitor a high proportion (maybe 75%-90%) of the cross border traffic they need to control. Business and accounting systems providers will modify their systems soon enough for other companies to comply within a reasonable deadline.

No doubt there will be objections about extra burdens. The answer is companies using effective tracking systems save money and avoid expensive mistakes.

Local business exemptions

As for VAT, exemptions will be have to made for small local businesses.

BACKGROUND

I would say the Concerted Action will be an exercise in operational research. Although the EU may use different terminology it is well versed in the methodology. They know it will deliver results.

1. Operational Research

In 1967 I took a PhD in Operational Research. This is the definition and resolution of practical problems by interdisciplinary teams. It originated in WWII when it came it up with methods of using of radar signals, minimisation of lost shipping in the North Atlantic, etc.

The teams produce results by scientific, statistical and systematic methods. The solutions may or may not require the use of technology.

2. Automatic Identification

In 1983 we set up Codeway to develop barcode printers and tracking systems.

As an example, about 15 years ago we developed a system for intercontinental ro-ro ferry operators to track vehicles from assembly plants to overseas markets. In essence you scan a barcode on each vehicle as it goes onto and off the ship. This is in use at ports in every continent.

3. Traceability - Food

In 1997, after seeing John Humphrys interview Jack Cunningham, the new food minister, about the BSE crisis I proposed the use of automatic identification. The problem was there was no communication between producers and sellers. A beef mountain kept them apart.

We set up a UK working group which brought the meat industry together with retailers and government agencies. Our group carried its proposals forward into the first EU FoodTrace Concerted Action which worked out how to

implement them. Our recommendations underpinned the requirements for traceability in the EU 2004 Food Directive.

4. Traceability - Explosives

From 2010 Codeway implemented tracking and traceability systems for manufacturers and users of explosives who have to comply with the EU 2008 directive which followed the Madrid bombings. Each item has a unique barcode number for its "keeper" to track its location and there is electronic communication of these numbers from suppliers to customers.

Members of the Federation of European Explosives Manufacturers worked out how to comply with the directive with some advice from automatic identification and systems experts. Their guidance followed the principles of traceability in the 2004 Food Directive.

There is now a record of every explosive item used in every quarry and demolition site in Europe and also the oil and gas fields. In 2015 operators were swearing at the system, today they swear by it.

5. Proof of Delivery in Ireland

In 2017, Codeway set up our TraceNow online system for a NI builders merchant owned by St Gobain. Drivers from their 17 depots use smartphones to record the delivery of every item including sand to building and home improvement sites. As it happens they do not scan barcodes.

The customer signs on the screen and all the data is then automatically exchanged with the company's business systems for invoicing, stock tracking and proof of delivery. As all information about the products and customers is in the database the computer will be able to handle any VAT and duty calculations required.

I hope all this shows the real question now is one of arrangements [organisation in Ireland] not technology.

Best wishes

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