



Northern Ireland
Assembly

Committee for Regional Development

**OFFICIAL REPORT
(Hansard)**

European Issues

29 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Joe Byrne (Acting Chairperson)
Mr Roy Beggs
Mr Stewart Dickson
Mr Seán Lynch
Mr Ian McCrea
Mr David McNarry
Mr Cathal Ó hOisín

Witnesses:

Mr Danny Kennedy	The Minister for Regional Development
Mr Déaglán Coleman	Department for Regional Development
Ms Deborah McNeilly	Department for Regional Development

Mr Kennedy (The Minister for Regional Development): Good morning.

The Acting Chairperson: Good morning, Minister.

Mr Kennedy: Thank you very much.

The Acting Chairperson: You and your officials are very welcome. Unfortunately, the Chairman is off at the moment, and the Deputy Chair is not here either, so I have been asked to chair the meeting.

Mr Kennedy: Congratulations on your elevation.

The Acting Chairperson: I will endeavour to do my best. Will you start by making an opening statement?

Mr Kennedy: I thank the Committee members, the Committee Clerk and all the staff for inviting me to brief you on my engagement with Europe and the ongoing negotiations on the Trans-European Transport Network (TEN-T) and the Connecting Europe Facility (CEF). With me today are Deborah McNeilly and Déaglán Coleman. Presumably, you can work out who is who. Deborah is the finance director in the Department for Regional Development (DRD), and Déaglán is its EU co-ordinator.

Before I begin my presentation — Chairman, do you want me to continue?

The Acting Chairperson: Go ahead; I am listening. I am sorry, I was just giving my ear to the Committee Clerk.

Mr Kennedy: I would like to put on record my appreciation for the support that the Committee has shown for the approach that the Department and I have adopted to the negotiations. I understand that the Committee intends to travel to Brussels to engage with the Commission and the European Parliament to help to lobby for a better deal from the TEN-T proposals for Northern Ireland. I very much welcome that, and I have asked my officials to work with the Committee to ensure that you have a successful visit.

To set the scene, I think that, from a regional and a European perspective, it is important that the transport infrastructure in regions such as Northern Ireland is good and in place. It must also allow for more competition and deliver integrated network transports that link different transport modes. To effectively engage with and get the best from Europe, I think that we need to go further than simply attempting to secure funding. We need to influence policy so that it caters for the needs of regions such as Northern Ireland and takes regional variance into account.

From the paper that I provided in advance of today's meeting and from a previous presentation that my officials gave, members will be aware that I have been engaging with Europe on the Commission's proposals for the Trans-European Transport Network. Those proposals will see the TEN-T move from essentially being a funding programme with projects that are supported by EU funding to a genuine European transport infrastructure policy, with the Connecting Europe Facility as its central funding instrument. It is proposed that the future TEN-T network will be made up of transport corridors and will be based on a dual-layer approach of a core and comprehensive network. Specific standards for each transport mode on the network have been identified, and the proposals create a number of difficulties for Northern Ireland. Those include the application of certain infrastructure standards that are not appropriate in our circumstances; the manner in which funding is to be targeted; the make-up of our core TEN-T network; and the preference to support rail freight transport over road freight transport. Therefore, there is a real risk that, if we do not influence Europe's consideration of those proposals, the future policy could have problematic consequences for Northern Ireland not only in our ability to attract funding for transport projects but in what we may be required to do to meet the standards that are being imposed on our network.

Under the Commission's proposals, the Connecting Europe Facility will fund only those projects and studies that are in the TEN-T core network. Northern Ireland's TEN-T core network, as identified by the Commission, comprises the eastern seaboard transport corridor and Belfast port. Furthermore, the Commission's preference for targeting funding at rail rather than at road infrastructure will create a problem for us, as it is not economically viable to shift freight transport in Northern Ireland from road to rail. As things stand, we will be able to bid for funding from the Connecting Europe Facility for only those projects that are on our rail network from Newry through Belfast to Larne.

So, for all those reasons, the Department and I have been working to influence negotiations in this area. The key concerns that we have raised and that we continue to highlight are: the need for flexibility in the application of infrastructure component standards; the fact that Northern Ireland is a region on the outermost western periphery of Europe that has no physical link with mainland Europe; that we have an isolated rail network that transports only passengers; the fact that Londonderry and its transport connections, including the A6, should be on the core network; and that increased support is required for the development of the TEN-T comprehensive network, which includes the majority of Northern Ireland's key transport corridors.

The TEN-T and Connecting Europe Facility regulations are, of course, reserved matters. However, we have already shown that we can influence the UK's position and, indeed, those of other member states. I met the chef de cabinet for the Transport Commissioner. I attended the transport council and set out my position on the regulations to both the UK Secretary of State for Transport, Justine Greening, and the Irish Transport Minister, Leo Varadkar. Meanwhile, my officials have been liaising with officials in London, Dublin and Brussels, and, through that engagement, we have secured an important amendment to the Polish presidency's revised TEN-T regulation. The current Danish presidency has retained that amendment, which provides for an exception from certain rail-related infrastructure standards for isolated networks like ours.

In addition, we have successfully lobbied with our partners in Scotland to have the A75 from Stranraer to Carlisle included on the TEN-T core network. It is, of course, an important link route from Northern Ireland to Scotland, England and beyond.

However, we have much work to do, including influencing the European Parliament's deliberations on the regulations. I have been liaising with Northern Ireland's MEPs and have discussed issues on TEN-T in meetings in Brussels. I would like to take the opportunity to put on record my thanks for their assistance and for the very considerable work that they do in Europe for Northern Ireland. I recently wrote to our MEPs to update them on developments in the TEN-T situation and to seek their continued help and assistance in securing a good deal for Northern Ireland. I met the chair of the European Parliament's Transport and Tourism Committee, Brian Simpson, during a visit to Brussels last year and highlighted the need for regional variances to be accounted for in European transport policy. I hope to meet Brian again and to meet the committee's appointed rapporteurs to emphasise the importance of ensuring that the regulations take account of regional variations and the needs of Northern Ireland. This Committee's visit will also be influential in that.

You will be aware that my Department has been fairly successful in securing EU funding from the current EU transport funding programmes, with approximately £3.5 million secured from the current INTERREG programme, including funding for the Culmore roundabout scheme. Over £13 million was secured from the current TEN-T programme, including funding for the dualling of the A8 and the A6 and the Ballymena to Coleraine railway line. Furthermore, my officials recently submitted an application for INTERREG funding for the upgrade of Portadown railway station, and they are working on applications for TEN-T funding for the upgrading of the Coleraine to Londonderry railway line and for studies on the development of the York Street interchange improvements project. We are also considering a joint application with the Electricity Supply Board (ESB) from the Republic of Ireland on the TEN-T annual call for the Plugged-In Places initiative.

As you are aware, President Barroso's task force for Northern Ireland provides us with an opportunity to make the most of our relationship with Europe. In response to the establishment of the task force, the Executive put in place a working group with representation from across the Northern Ireland Departments. To focus that group's work, the Executive set its European priorities under four thematic priorities: competitiveness and employment; innovation and technology; climate change and energy; and social cohesion. You will see from the paper that was provided in advance of today's meeting that my Department has a major role to play in contributing to competitiveness, employment, climate change and energy-thematic priorities. You will also note that the other issues that are covered in my presentation today have strong and clearly visible links to the draft priorities and objectives for 2012-13. That includes influencing future European regulations, improving our economic infrastructure and attracting EU funding to assist with reducing congestion and emissions.

Four thematic desk officers will take up post in March, and they will provide dedicated support to Departments in delivering the Executive's European objectives. I very much welcome this further step to improve our engagement with Europe. I have discussed with the head of the Civil Service and the Office of the Northern Ireland Executive in Brussels how my Department can utilise this resource, and my officials have met with the desk officers to discuss how the DRD unit priorities can be taken forward.

That is the end of my presentation. I am very happy to take questions from members and yourself, Chairman. Let me assure you that my officials and I will do our best to address your questions and give full answers. We continue to encourage you to help us influence Europe on this important matter.

Thank you very much.

The Acting Chairperson: Thank you very much, Minister. You have given a very comprehensive outline of the situation. The Committee has been very supportive and has tried to help you and the Department lobby for funds for the roads and, indeed, the rail infrastructure.

You indicated that, as a region, we must feed in to the overall UK submission on transport matters. Are the objectives for here similar to those of the other UK regions, or do we have a distinct difficulty in that they have an emphasis on rail whereas we have a very small rail network?

Mr Kennedy: There are important differences that we must take account of. Our rail network is unique to the island of Ireland, and we do not have high-speed connections such as those in the rest of the UK or mainland Europe. That variation is important in itself.

Another variation is that freight moves by rail nowhere in Ireland, unlike the situation in other parts of the United Kingdom and Europe. Those are important variations, and we must take account of them.

The Acting Chairperson: Is there enough flexibility in the TEN-T initiative for us to make our case for the uniqueness of the region? How confident are you that we can get the Irish Government and the Minister for Transport, Tourism and Sport on our side to help us to lobby?

Mr Kennedy: On your latter point, we are effectively on the same page as the Republic of Ireland. That is a good thing for our argument. Our position in Europe is unique; we are not part of the European mainland, and we have our own rail infrastructure. We have to deal with the issues that result from our being on the periphery and how we find ourselves as a part of Europe having to deal with European regulations. They must apply to us and be sensible in terms of how we operate them. There is a strong argument for the regional variations. I very much hope that the Committee continues to stress that when it visits Brussels and makes its representation to the Commission, the MEPs and the various groups that are in charge of this issue.

Mr Beggs: I welcome that the A5 issue is included. Its importance to the ports of Larne and Belfast and to ro-ro ports generally in Northern Ireland has been recognised. Has there been any discussion about the A77, given that that is the main road going north of Cairnryan port?

You indicated that you are applying for funding for the Coleraine to Londonderry line and Portadown station. What is the position with the Larne line? My reason for querying that is that it appears to be in the core network proposal. Can you verify that? It is certainly on the eastern seaboard corridor. There is concern about some aspects of the service there, and one issue that I picked up recently is that there are two speed restrictions on that line. If it is recognised as an important line, why will we have to wait for over a year for those issues to be addressed?

Mr Kennedy: The A75 is in a secondary position, but there is better news on the A77, which is clearly on the core network. However, I hope to meet shortly with my Scottish counterpart, and part of our discussions will be on the network of links between ourselves and Scotland. If we can assist in promoting the argument for any upgrade of the position of the A75, we will happily do that, given its strategic importance.

The Larne line is clearly on the core network. There are issues with how it operates, as there are with how the entire railway system in Northern Ireland and Ireland operates. I know that Translink has been looking at some of the services in the area, and you will be aware that there has been quite a strong lobby, which you and others have helped to lead, to retain the line and, in particular, encourage more usage. I will check with Translink whether it is aware of any problems with time delays or slowness, and we will come back to you directly on that.

Mr Dickson: I will partly follow on from Roy's question. Given the big issue of the TEN-T policy, clearly one size does not fit all. That is a strong argument that needs to be made. I am satisfied that you are making that argument, and I am delighted that the Committee is going to back that up. Having said all that, however, the key thrust of the project is rail over road. I accept that we in Northern Ireland, and, I suppose, in the whole island of Ireland are in a unique situation. Nevertheless, we have a railway line on the western seaboard that runs from Londonderry to Cork. That is a bigger picture than the Larne to Belfast line. I am not wholly convinced that Translink and Córas Iompair Éireann (CIE) cannot see the bigger picture as we move forward with freight. Ferry companies have just moved their ferry terminals away from the major rail network in Scotland. Is that something that you should be discussing with your counterpart in Scotland?

There are connections to Wales through Dublin and Cork. Although I understand that one size does not fit all with the TEN-T project and wholly support your arguments about getting regional variation in there, I think that we need to shake the argument about getting rail freight on the island of Ireland and the interconnection through Scotland and Wales.

Mr Kennedy: I accept your point, but there is an economic side to the issue, and we have to be clear about whether it is economically feasible to invest in what would be a major upgrade of the rail infrastructure to be able to transport freight.

We are not, in European terms, capable of high-speed links even between Belfast and Dublin. The distance is not long enough in many ways, and there are too many important stops on the current route. So, you would have to fundamentally change and make a new railway system. The cost of that would be fairly frightening, but I am happy to consult. We have regular meetings with Leo Varadkar, my counterpart, and people from Irish Rail. It is something that we are aware of. I can see the argument for what you are saying and the logic behind it, but, in practical terms, there are serious issues to consider, not least the economic one.

Mr Dickson: Minister, I am suggesting that those issues need to be spelled out, because there will be a fair amount of concern, particularly among the environmental lobby. For example, the cost of fuel for road transportations is constantly rising. If there is a strong argument for saying that it cannot be achieved, that needs to be clearly spelled out, because there will be quite a lot of pressure. People will say that the money is there and will ask why we are not using it to improve our rail network and get goods off the road and on to rail.

Mr Kennedy: It is fair to say that most of the TEN-T proposals will give grants to us for studies rather than for the infrastructure projects, because, with the increase in the number of countries, particularly from the eastern areas, a lot of the money will presumably be used there to improve their infrastructures. There is no obvious or immediate salvation with a pot of gold over in Europe that we simply have to tap into that will substantially upgrade our road or rail network.

Mr Ó hOisín: Thanks, Minister. You will be well aware of my abiding interest in the A6 in particular. It would be remiss of me not to cover it again. Given that one of the core guidelines in the TEN-T policy deals with infrastructure rather than project-based schemes as such, how do you reckon that that ties in with the proposed upgrading of the A5 and its tie-in with the A6 as part of a network?

Mr Kennedy: We are seeking to improve the overall infrastructure all over Northern Ireland. That, in turn, will have links with the Republic and Scotland on routes such as the A75 and, hopefully, the A77. I am attempting to bring forward those infrastructure projects and seek out opportunities to ensure that we get maximum benefit from Europe as we try to improve things. Money is tight, and it is also tight in Europe, so there will be choices to be made. The recent announcement covered some of those choices. I am aware of your commitment to the A6, Dungiven bypasses and other such issues. I restate that I too am committed to upgrading Northern Ireland's road and rail infrastructure, and I think that that can be done by working together. I think that it is helpful for the Committee to go out to Europe to lobby MEPs on the TEN-T proposals and to put forward the case for further infrastructural improvement in both road and rail.

Mr McNarry: Welcome, Minister. I feel as though I need to compliment Stena Line on its investment here and in Cairnryan and to acknowledge the proposed spending on our roads infrastructure, even though the bulk of it is not benefiting my beautiful constituency. If we think about, which is why I opened with my first point, do ferry services come under the European interests that we may want to discuss in Brussels or elsewhere, or do we discuss them with you? I ask that, because, although there is an obvious push to make Northern Ireland an attraction, the ferry fares are far too expensive and are, quite frankly, off-putting for visitors. That worries me. We are trying to bring more tourists to Northern Ireland and to get the buck back through what we are doing locally to improve infrastructure etc. However, that market will not come here, because no one will pay such exorbitant fares. Is that something worth taking to Europe? I am not talking about the Strangford ferry; I am just talking generally. *[Laughter.]*

Mr Kennedy: I attended the opening of the new link at Loch Ryan. It is very impressive. I think that it opens up and improves the links to Scotland and the rest of the United Kingdom not just for Northern Ireland but for all Ireland. I have been listening to the recent debate about the cost, as well as to the people who use the service and are concerned about cost. There is a substantial amount of private enterprise here that private companies operate, and they are clearly not in the business of enabling charitable crossings. Where we can be helpful, we will seek to be. Déaglán or Deborah, do you want to comment on whether there is scope in Europe to consider that issue?

Mr Déaglán Coleman (Department for Regional Development): I think that the focus on shipping in Europe at the moment is once again on the transportation of freight, with a big emphasis on moving goods around the EU. So, there would be a potential opportunity to secure funding for our ferry routes to Scotland if the emphasis were on freight movement, which, of course, it is.

Mr McNarry: May I disagree with you? I understand what your emphasis is, but I am asking whether we can have another emphasis on the subject that I am talking about. If you always do what Europe tells you, that is fine, and that is what you will end up doing, but I am asking whether there is a case to be made for reducing ferry fares for the benefit of Northern Ireland tourism. We see cheap flights. You can get to Scotland by plane for £18, but it costs a darn sight more to get there by boat. We want people to come here as well. I just want to know whether it is worth raising that issue and emphasising it, if it does not happen already.

Mr Kennedy: My sense is that it is as much a national as a European argument. It is certainly an argument that we should be aware of and make some ground on through further discussions with regionally devolved Administrations and, indeed, Westminster. I am happy to take that away to see how we can explore it.

Mr McNarry: The ferries take trucks as well as cars, so how do you divide it?

Mr Coleman: That is the point that I was making. The funding from Europe is targeted at the movement of freight by sea. So, there is the potential for us to assist in securing funding for improvements to such transportation, which may have the knock-on effect of reducing prices.

Mr Lynch: When my colleague mentioned the A6, I thought that it would be a good idea if the Enniskillen bypass became part of the western corridor. This question is probably for you, Deborah. Is there any comparative analysis of the money that is spent across the island of Ireland, that is, in the Twenty-six Counties and this region? The Dublin Government have been very successful in securing funding for the roads infrastructure over the years. Is there a comparative analysis of moneys spent in this part of the island and that spent in the Twenty-six Counties?

Ms Deborah McNeilly (Department for Regional Development): I am sure that that is something that we could get. We do not have that information with us today, but all the EU projects are listed in a database, and we may have access to it.

Mr Lynch: That would be helpful.

Mr Kennedy: The perennial problem that we face is that the Irish Republic, as a sovereign state, finds itself in a stronger position than we are as a region of the United Kingdom. I am not sure that we are comparing apples with apples, but that comparison would be interesting. The Irish Republic has received significant infrastructural benefits, and it is to be congratulated on that. It has made substantial progress and has invested heavily in its roads infrastructure in particular. That created economic benefits until more recent years, when other factors came into play.

The current criteria and the Commission's proposals for TEN-T, mean that, unfortunately, it is highly unlikely that we would be able to attract funding for a road project such as your beloved A4 project. Furthermore, the Southern partner would be required to bid for INTERREG funding, so it is unlikely that we would be able to bid for that project. We will continue to review all criteria if a suitable call is announced, and we will give it ongoing consideration.

Mr I McCrea: Unless you have good news for me, I do not think that there will be any opportunities for rail transport in my constituency —

Mr Kennedy: In Cookstown?

Mr I McCrea: Yes, or in Magherafelt. I am not sure about that, but you will be aware of road projects such as the bypasses in the area. I appreciate that they are not really part of this discussion, but it would be remiss of me not to raise them with you today.

Mr Kennedy: Everyone else has had their local go, so why not you?

Mr I McCrea: If you tell me that you are going to bring trains to Cookstown through Magherafelt, I would be happy.

Mr McNarry: You might have a chance if it was between Bessbrook and Cookstown.

Mr Kennedy: At that stage, I might be completely off the rails.

I think that all members are aware of the recent announcement that we made about the half a billion pounds of investment in road projects all over Northern Ireland. We are now looking towards the next stage of looking at departmental budgets through the investment strategy for Northern Ireland (ISNI), which is currently out for consultation. I will be pitching very strongly for further moneys to be made available to improve the roads infrastructure all over Northern Ireland. There are any number of road projects, including the ones that you mentioned in Magherafelt and Cookstown, the A4 in Enniskillen, the A26 and the A6. There are other important projects, such as the bypasses. I am in the business of trying to enlist as much support around the Executive table as possible for road infrastructure improvements. That means getting more money into my budget, and, if I have money in my budget, with the support of the Committee, we will move to bring forward those schemes.

The Acting Chairperson: Finally, Minister, if I may be slightly parochial. *[Laughter.]*

Mr McNarry: We only put you in the chair.

The Acting Chairperson: First of all, I think that it is fair to say that the Committee is very appreciative and supportive of recent announcements on the capital projects across Northern Ireland. Can you give us an update on the public inquiry to report into the A5?

Mr Kennedy: I am happy to say that the inspector's report was received at the end of last week. Officials are considering it, and it will then arrive on my desk for my consideration. So, progress is being made, and we hope to process that as quickly as we can.

The Acting Chairperson: Very good. Thank you for that. If no one else wishes to speak, I will thank you, Minister, and your officials for your updates. The Committee is very supportive of the outline that you have given on lobbying in Europe and Brussels. The Committee is going there on 24 to 26 April, and I hope that we can add value to what you have been doing. Thank you very much.

Mr Kennedy: Thank you very much indeed. I take the opportunity to thank the Committee for all its assistance across the range of issues. In advance of the Committee's visit to Brussels in April, I hope that my officials will be able to assist you further with guidance and proper paperwork and so forth. We are happy to do that.