



# Boardroom Brexit: What the deal means for transport

## BOARDROOM BREXIT

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### Road Transport and Haulage

There will be continued market access rights for UK and EU road haulage operators. This means that road haulage operators will continue to be able to:

- move goods to, from, and through each other's territories with no permit requirements; and
- make some additional movements within each other's territories.

However, there will be limits on the number of permitted movements. Specifically:

- UK and EU road hauliers will be limited to a maximum of two journeys within the other's territory before having to return to their own territory.
- UK operators will only be permitted to undertake one extra operation within the same member state, called *cabotage*, meaning the second would have to take them to another EU member state.
- Hauliers based in Northern Ireland may undertake up to two journeys within Ireland.

This is a significant change from the current circumstances. To date, road haulage operators have been able to make multiple pick-ups and drops within the same territory. These will now be limited to some degree, and supply-chain operators would be well advised to review the impact of these changes with their hauliers.

There will also be standards to which road haulage operators must adhere when undertaking haulage services between the UK and the EU, such as:

- holding a valid driving licence and Certificate of Professional Competence; and
- wider safety and working conditions standards e.g. driver hours, requirements about professional qualifications, vehicle weight and dimension limits.

Businesses should make sure they understand these new standards clearly to ensure they are complied with. This will help minimise any delays at customs borders when carrying out cross-border haulage services between the UK and EU.

### Aviation

Under the TCA, UK and EU air carriers will continue to enjoy flyover rights and operating rights on routes between the UK and EU. However, UK carriers will not be able to operate cabotage routes in the EU (and vice versa). To benefit from these operating rights, UK carriers will need to have been (1) granted an operating licence on or before 31 December

2020 and owned and effectively controlled by EU and UK nationals or (2) granted an operating licence on or after 1 January 2021 and owned and effectively controlled by UK nationals only.

However, the operating rights and flexibilities granted under the TCA are significantly more expansive than the previous contingency measures published by the European Commission on 10 December. Operational flexibilities have been expressly permitted for all carriers, (passenger, cargo, and charter), allowing air carriers to transfer traffic between aircraft of the same air carrier at any point (change of gauge) and serve more than one point within the UK or EU in a single service (co-terminalisation). Additionally, the TCA expressly allows for the UK and individual Member States to make bilateral agreements to authorise (1) all-cargo flights which make stops to offload and uplift cargo in the territory of a Member State or UK before departing for a third-country destination (fifth freedom flights) and (2) non-scheduled air transport services beyond the rights provided for in the TCA.

The TCA also allows for UK operating licence holders to use dry-leased foreign aircraft or wet-leased UK or EU aircraft in exercising the above operating rights. Additionally, certificates of airworthiness, competency, and licences issued by the UK will be recognised as valid by the EU in exercising the above operating rights.

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