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THE PRIME MINISTER

6 September 2018

Dear David

Thank you for your letters of 1 July, 4 July and 22 August regarding the UK's exit from the European Union, which I read with great interest knowing how long you have studied these issues. But I must tell you that I have come to a different set of conclusions.

As you know, we have recently published a White Paper setting out an ambitious and bespoke future partnership with the EU that respects both the UK's sovereignty and the EU's autonomy. At the core of our proposal is the establishment of a free trade area for goods between the UK and the EU; this would avoid friction at the border and protect jobs and livelihoods, while ensuring both sides meet their commitments to Northern Ireland and Ireland respectively.

I understand that you would like the Government to propose an amendment to the text of the Withdrawal Agreement, in order to secure membership of the EEA from the end of March 2019. First, I want to reassure you that I believe we are on track to reach an agreement, and that there are good reasons to be optimistic, not least given the progress we have already made.

The UK and EU negotiating teams reached provisional agreement at the March European Council on the implementation period, on citizens' rights and on the financial settlement. Since then, the UK and the EU have published a joint statement setting out the further progress we have made in agreeing the draft Withdrawal Agreement. This marks an important milestone in providing certainty for businesses and individuals in the UK and the EU. In light of these provisionally agreed terms with the EU, I believe that an attempt to amend text would distract from the ultimate goal of securing an agreement on our future partnership.


I would, however, like to emphasise that the provisional agreement reached with the EU at the March European Council states that the UK is to be treated as a Member State for the purposes of international agreements for the duration of the implementation period. This includes the EEA Agreement, which governs crucial elements of our trading and non-trading relationships with the three EEA EFTA States. That way, we will be able to provide continuity and certainty for businesses and citizens on our relationships with these countries and ensure that Brexit happens in a smooth and orderly way.

You also propose that the UK could in future become a party to the EEA Agreement on the same terms as the current non-EU EEA parties. However, I do not believe this would be the best way forward for the UK, the European Union or the EEA EFTA members. Continued EEA membership would require us to adopt new EU rules automatically and in their entirety across the vast majority of the EU acquis. It would mean continuing to accept the free movement of people, which would not deliver on the result of the referendum. That is why I have come to the judgement that it could not be a sustainable relationship and would, I believe, lead to us needing to reopen negotiations further down the line. Of course, neither we nor the EU want that, and so it is in both our interests to agree a new relationship that will work for the long-term.

I should also add that the EEA would not provide a solution for the Irish border issue. It would deal with industrial goods, but not checks on sanitary and phytosanitary standards for agrifood, nor with customs.

Thank you for your continued engagement on our EU exit. I know that Lord Callanan would be very happy to meet you to further discuss the issues you have raised, if this would be of interest to you.

Thank you, once again, for taking the time to write.

Your sincerely


The Right Honourable The Lord Owen CH