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THE PRIME MINISTER

10 February 2019

Dear Jeremy

Thank you for your letter of 6 February. It is good to see that we agree that the UK should leave the European Union with a deal and that the urgent task at hand is to find a deal that honours our commitments to the people of Northern Ireland, can command support in Parliament and can be negotiated with the EU - not to seek an election or second referendum. My visit to Northern Ireland this week underlined to me what is at stake.

In that light, I am grateful to you for meeting me last week, for your letter setting out your position in more detail and for the offer of further discussions. Whilst the issues you raised in your letter are best dealt with in those discussions, I thought it would be helpful to briefly set out our position in writing.

When we met, you outlined your concerns about the possible indefinite nature of the backstop, concerns which you repeated publicly afterwards. I hope you will therefore agree with me that seeking alternative arrangements to the current backstop is a necessary step to finding a deal that can command support in Parliament. One of the things I would like our teams to discuss is the exact nature of those alternative arrangements.

However, this is not the only action the Government is taking to find a deal that commands support in Parliament. We intend to give Parliament a bigger say in the mandate for the next phase of the negotiations to address concerns that - because the Political Declaration cannot be legally binding and, in some areas, provides for a spectrum of outcomes - MPs cannot be sure precisely what future relationship it would lead to. We have also made commitments on workers' rights and environmental protections and we are examining opportunities to provide further financial support to communities that feel left behind.

Turning to the changes to the Political Declaration you would like to see:

- As I explained when we met, the Political Declaration explicitly provides for the benefits of a customs union - no tariffs, fees, charges or quantitative restrictions across all sectors and no checks on rules of origin (paragraph 23). However, it also recognises the development of the UK's independent trade policy beyond our economic partnership with the EU (paragraph 17). I am not clear why you believe it would be preferable to seek a say in future EU trade deals rather than the ability to strike our own deals? I can reassure you that securing frictionless trade in goods and agri-food products is one of our key negotiating objectives (for precisely the reasons you give - protecting jobs that depend on integrated supply chains and avoiding a hard border between Ireland and Northern Ireland). The fundamental negotiating challenge here is the EU's position that completely frictionless trade is only possible if the UK stays in the single market. This would mean accepting free movement, which Labour's 2017 General Election manifesto made clear you do not support.
- The EU have said that the deal provides for the closest relationship possible outside the single market. The Political Declaration sets out clear arrangements for dispute resolution (paragraphs 132-135). I am not sure what exactly you mean when you say "shared institutions and obligations" but our teams can explore that.
- I have always been clear that Brexit should not be at the expense of workers' rights or environmental protections. However, the Government does not support automatically following EU rules in these areas because, given their importance, we believe these decisions should be taken in our Parliament by our elected representatives. We have, however, made legally-binding commitments to no regression in these areas if we were to enter the backstop (Annex 4 of the Northern Ireland Protocol to the Withdrawal Agreement), intend to build on these commitments in the future relationship (paragraph 79 of the Political Declaration) and are prepared to consider legislating to give these commitments force in UK law. In the interests of building support across the House, we are also prepared to commit to asking Parliament whether it wishes to follow suit whenever the EU changes its standards in these areas. And of course we don't need to automatically follow EU standards in order to lead the way - as we have done in the past under both Conservative and Labour Governments.