

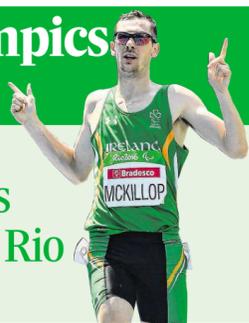
All-Ireland  
countdown

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Dublin by  
the numbers



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gold

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dominates  
1,500m in Rio



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Leger coup

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# THE IRISH TIMES

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## Fianna Fáil proposes permanent end to water charges

Party proposes water system should be paid for through general taxation

Exchequer subvention would be open to requests for increases from Irish Water

FIACH KELLY  
Political Correspondent

Fianna Fáil has proposed that the water system be paid for through general taxation and that the principle of charging for usage should be abolished for good. The party made the proposals in a statement to the commission on how water services should be funded.

It marks a move away from its previous position that charges should only be suspended, as it argued in its negotiations with Fine Gael earlier this year to facilitate a minority government led by Enda Kenny.

Fianna Fáil, which accepted the principle of water charges as part of the troika's bail-out package, had also previously argued that domestic charges should only be suspended until such time as the national water infrastructure could be brought up to standard.

Its submission to the Expert Commission on Domestic Public Water Services – established as part of the Fianna Fáil and Fine Gael deal – says the entire system should be funded through general taxation by way of direct subvention from the exchequer.

Its election position was that a subvention would be provided during a period of water charge suspension, but sources said the "submission calls for abolition".

**Subvention level**  
The level of the subvention would be set by the Commission for Energy Regulation, which previously set the level of water charges paid by households, and increases could be requested by Irish Water.

The confidence and supply agreement between Fine Gael and Fianna Fáil only commits to the suspension of charges for a period of nine months, as well as the establishment of a commission on the future of water charges.

Fine Gael refused to concede the suspension of charges for the entire Dáil term, as had been requested by Fianna Fáil. Fine Gael sold the agreement to its TDs and support-

ers on the basis that charges would only be suspended.

Fianna Fáil has said the numbers in the current Dáil do not allow for the reintroduction of charges in advance of another election.

The commission is examining how to fund the water system in the long term. Its recommendations will then be considered by an Oireachtas committee, and a Dáil vote on the issue will follow.

### Election position

Speaking to *The Irish Times* in July, Fianna Fáil leader Micheál Martin repeated his election position on abolishing water charges was for the "lifetime of the next government", having previously said the policy move could be reviewed after five years.

He refused to be drawn on whether Fianna Fáil agreed with some kind of charge, saying he was "loath to say we would support one or the other".

"What we are clear about is the present regime has to go. It lost confidence and it lost credibility and we had to go back to the drawing board. It was not raising any significant revenue. It lost a huge amount of political capital."

He also said that it could be argued "the user pays through taxation", a move confirmed in the party views submitted to the commission on water services.

The European Commission has warned that Ireland could face fines because of the decision to suspend water charges, and maintains that charges cannot be abolished without breaking the water framework directive, which Ireland has already signed.

Fianna Fáil says it has legal advice to the contrary. It has declined to publish the legal advice but included it in its submission to the water charges commission.

It is understood it argues that established practice in Ireland in 2003, when the water charges directive was transposed into Irish law, was that services were funded through general taxation.



## Cream of the cats Kilkenny end 22-year Camogie All-Ireland dry spell with victory over Cork

Kilkenny's Katie Power celebrates with Jacqui Frisby and Grace Walsh after beating Cork 1-13 to 1-09 in the All-Ireland Senior Camogie Championship Final in Croke Park, Dublin. Kilkenny end their famine: Sports Monday. PHOTOGRAPH: TOMMY DICKSON/INPHO

## EU military plan poses challenge to Ireland

SUZANNE LYNCH  
European Correspondent

Ireland's relationship with the European Union is facing a fresh challenge with EU leaders considering increasing security and defence co-operation.

EU leaders are gathering in Bratislava on Friday to consider the future of the European Union following Britain's decision in June to leave the bloc.

The imminent departure of the EU's second-largest member has given renewed momentum to calls for a common European defence strategy.

Traditionally, London has blocked any moves towards a more integrated foreign and security policy, arguing that Euro-

pean defence interests are better served through Nato.

A joint paper by the French and German foreign ministers issued days after the Brexit vote called for a "new European security contract", arguing that the security of Europe's citizens would be better served through more co-ordination on security and defence.

Ireland has traditionally been staunchly opposed to the concept of enhanced EU military co-operation, though it does partake in a number of common security and defence policy missions.

The EU's foreign policy chief Federica Mogherini outlined her intention earlier this month to devise "an ambitious implementation plan on security and

defence" that would make use of previously unused articles of the Lisbon Treaty.

Among the main proposals under consideration is a "permanent structured co-operation" mechanism which would encourage like-minded countries to pool military and defence capabilities.

### Defence procurement

The possibility of establishing an EU military headquarters and increasing co-operation on defence procurement and expenditure will also be up for discussion.

Irish officials said that the Irish protocol to the Lisbon Treaty secured after the first Lisbon referendum in 2008 ensured that Ireland would not be

obliged to subscribe to any new common defence policy. But the prospect of a more integrated EU defence policy is likely to cause headaches for the Government as Ireland reflects on its role in the EU post-Brexit and navigates the continuing controversy over the Apple judgment.

A call for greater European co-operation in defence will also form part of Jean-Claude Juncker's speech when he addresses the European Parlia-

ment on Wednesday in his annual "state of the union" speech, two days before the Bratislava summit.

While Mr Juncker has previously voiced support for the creation of an EU army, officials stressed that the new policy did not constitute the first steps towards the creation of a common army.

Next British commissioner to face MEPs: page 8

## Dublin Port Tunnel and M50 users may face higher tolls after EU review

DAVID LABANYI

Dublin Port Tunnel and M50 users face the possibility of toll increases of up to 60 cent after the European Court of Justice said the State must impose VAT on tolls levied on State-owned motorways.

The imposition of the 23 per cent VAT rate on existing M50 tolls would mean the fee for a driver with a tag account rise from €2.10 to €2.50, while a driver with a video account would find their €2.60 charge rise to €3.20 per journey.

The opinion issued by the court's advocate general is the latest stage in a long-running

dispute between the Revenue Commissioners, which believes VAT should apply to tolls on State-owned motorways; and Transport Infrastructure Ireland (TII) and the Department of Transport, which believe it should not.

### Disagreement

The disagreement began in May 2010 when the Revenue directed the TII's predecessor, the National Roads Authority, to impose VAT on State-owned motorway tolls. This decision was immediately appealed by the department and the NRA.

The matter was considered by the Revenue Appeals Com-

missioner who then forwarded it to the European court.

While the matter was under consideration, the TII/NRA was paying roughly €17 million a year, around €70 million to date. No additional exchequer funds were provided to the TII/NRA to cover the cost of paying the VAT which meant the cash used was taken from the roads budget.

In an opinion issued last week, the court said VAT does apply to State-owned motorways. If the court endorses this opinion with a ruling, which it typically does, Revenue and the TII must decide how to impose the VAT on the two tolls.



Wild rides  
The quest for the ultimate snowboard adventure  
The Red Bulletin, inside today



Pulling the plug  
Changing energy providers can save €360 a year. So why are we so slow to switch?  
Pricewatch, page 11



Business people talk rot about what it is to be creative  
Lucy Kellaway, Business

PPI Station of the Year

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### Weather

Rain will clear in the west by early afternoon but will continue elsewhere. Highest temperatures 16-20 degrees.

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### Home News

Project Eagle: Nama is expected to strongly contest the findings of a report that it may have lost "hundreds of millions of euro" on a portfolio in the North: page 2

Halligan standoff: Fine Gael has said the Waterford TD must decide whether or not to remain in Government: page 3

### World News

Syria: Government troops and rebels have clashed in an attempt to strengthen their positions ahead of a truce backed by the US and Russia: page 8

### Business + Today

Food and drink sector: A body representing the industry says thousands of jobs are at risk if the Government fails to mitigate the impact of Brexit: page 14  
Climate change: Ireland faces fines of up to €5.5 billion if EU emission reduction targets are not met: page 15

### Sports Monday

Soccer: José Mourinho has confirmed that Marcus Rashford will start when Manchester United meet Feyenoord in the Europa League on Thursday.  
Soccer: Swansea staged an unlikely second-half fightback to draw 2-2 with Chelsea in the Premier League.

Lotto: 5, 6, 14, 24, 26, 29 (20). Plus 1: 1, 2, 13, 14, 39, 42 (22). Plus 2: 6, 11, 25, 30, 32, 38 (9).