

A recast of the Merchant Shipping (Safety of Navigation) Regulations 2002

Department for Transport

RPC rating: fit for purpose

Description of proposal

The Merchant Shipping (Safety of Navigation) Regulations 2002 are not up to date with the measures contained in Chapter V of the International Convention on the Safety of Life at Sea (SOLAS). These measures focus on improving the safety of navigation to reduce the risk of an accident occurring at sea. The Department's preferred option is to update the Merchant Shipping (Safety of Navigation) Regulations 2002 by bringing UK law in line with SOLAS requirements, and introducing ambulatory referencing¹ which will require UK ships to comply directly with SOLAS Chapter V in its up to date form. The proposal is intended to: ensure the UK meets its obligations as a signatory to the Convention at all times, deliver legal certainty for businesses, and maintain a level playing field for UK ship owners/operators competing internationally.

Impacts of proposal

Costs

The Department explains that in order to comply with the latest SOLAS Chapter V requirements, UK vessels will require Bridge Navigation Water Alarm Systems (BNWAS), Electronic Chart Display and Information Systems (ECDIS), and to annually test their Automatic Identification System (AIS). As a result of these changes, the Department's best estimate is that ship owners will incur total costs of £6.6 million in present value terms.

The proposal will also require a small equipment change to pilot transfer arrangements for ships built after 1 July 2012. The only major change this will introduce is to prohibit the use of mechanical pilot hoists. However, the Department expects that this will not impose a cost on business as alternative equipment already

¹ Once an ambulatory reference to an international convention, or part of an international convention, is introduced into a Statutory Instrument (SI), new amendments to the Convention will automatically become UK law. No additional SIs/amendments to existing SIs will be required to bring such amendments into force.

exists on ships as a result of other regulations. The Department explains that the requirement for a transparent safe manning procedure is also already followed by the UK and hence imposes no new cost on business.

Ambulatory referencing will require businesses to incur any costs associated with future SOLAS Chapter V amendments. At this stage, these potential costs have not been monetised in the IA “*as there is currently no indication of what form future amendments may take*” (page 20).

Benefits

The Department has identified several benefits to ship owners from implementing SOLAS Chapter V requirements. These include a reduction in the number of accidents occurring on UK ships and a reduced risk of detention in a non-UK port for non-compliance with the latest requirements of SOLAS Chapter V. The Department has not been able to monetise any of these benefits at this stage.

The Department explains that implementing the outstanding amendments to SOLAS Chapter V will mean the UK will no longer be in breach of its international obligation. The Department explains that this will ensure the UK is not identified in a future International Maritime Organisation (IMO) audit for failing to meet its obligations to give effect to SOLAS, which was a finding of the 2006 audit. Such failure may trigger infraction proceedings from the European Commission, as not implementing IMO Conventions in their up to date form is seen as indicative of the UK failing to meet its requirements under the Flag State Directive.

The Department explains that ambulatory referencing will benefit ship owners and operators by reducing the time taken to familiarise themselves with international and national legislation. This is because “*ship operators can focus on the convention text in technical areas rather than also having to refer to national implementing legislation*” (page 20). The Department explains that ambulatory referencing will also provide legal clarity for operators, and reduce burden on the Maritime and Coastguard Agency (MCA). These benefits have not currently been monetised.

At this stage, the Department estimates an equivalent annual net cost to business (EANCB) of £0.75 million. As this is an international measure with no gold plating, this will be a non-qualifying regulatory provision that will not score under the business impact target.

Quality of submission

The Department assesses the alternative option of bringing the UK law in line with SOLAS Chapter V, but not introducing ambulatory referencing. However, the

Department explains that “*this would fail to recognise industry’s concerns raised during the Red Tape Challenge about the delays in transposition of international requirements*” (page 1). The Department further explains that while the cost to business of any future amendments to SOLAS Chapter V are unknown and will not be subject to further IAs, no future amendments are expected prior to 2024 and they will undertake PIRs to evaluate the effectiveness of ambulatory referencing. The Department should seek further consultation evidence, to be presented in the final stage IA, that ship owners would find it beneficial for ambulatory referencing to be included.

The Department has treated “*the cost of compliance for types of ships where the requirement is already in force*” as “*cost neutral*” (page 10). For example, in relation to the BNWAS requirement, while 952 UK ships are affected by the measure only 362 have not yet met this requirement, and are therefore yet to incur a cost. However, because the UK is behind in its transposition of SOLAS Chapter V, any of the 590 ships that have already incurred costs in anticipation of this becoming a requirement in UK law, should be scored as a cost to business in the present IA. At final stage, the Department must provide a discussion explaining and justifying why the costs to these businesses have been included or excluded from the EANCB.

Ship owners and operators will benefit from a reduction in the time taken to familiarise themselves with legislation in this area. At final stage, the Department should provide a discussion of any familiarisation costs associated with understanding the change to the regulatory framework, and any training costs that businesses will incur as a result of the new SOLAS Chapter V requirements.

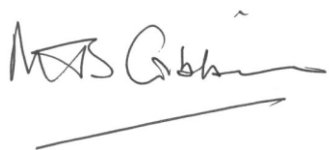
Departmental assessment

Classification	Non-qualifying regulatory provision (International)
Equivalent annual net cost to business (EANCB)	£0.75 million
Business net present value	‑£6.59 million
Societal net present value	‑£6.59 million

RPC assessment

Classification	Non-qualifying regulatory provision (International)
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Small and micro business assessment	Not required (International)
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Michael Gibbons CBE, Chairman