 Regulatory Policy Committee	Opinion	
Impact Assessment (IA)	Merchant Shipping (Maritime Labour Convention) (Crew Accommodation) Regulations 2013	
Lead Department/Agency	Department for Transport	
Stage	Final	
IA number	DFT00030	
Origin	International	
Expected date of implementation (and SNR number)	20 August 2013 (SNR No.6)	
Date submitted to RPC	17/07/2013	
RPC Opinion date and reference	30/07/2013	RPC11-DFT-0874(3)
Overall Assessment	GREEN	
<p>RPC comments</p> <p>The IA is fit for purpose. The issues raised in our previous Opinion (09/07/2013) have been addressed. In particular, the IA's One-in, Two-out (OITO) assessment now appears to be robust.</p>		
<p>Background (extracts from IA)</p> <p>What is the problem under consideration? Why is government intervention necessary?</p> <p>Standards of crew accommodation are inconsistent across the shipping industry. Employment conditions for seafarers vary globally, with some seafarers working under unacceptable conditions and ship operators which operate substandard ships gaining a competitive advantage. Effective international standards are therefore needed to address this. The Maritime Labour Convention 2006 (MLC) aims to provide minimum living and working conditions for seafarers that are globally applicable and uniformly enforced, including on crew accommodation. Achieving this requires the MLC to be ratified, which requires a package of new legislation in the UK. Ratifying the MLC in the UK would also avoid the costs of non-ratification.</p> <p>What are the policy objectives and the intended effects?</p> <p>The purpose of the proposed Regulations is to promote decent living and working conditions for seafarers globally and a more level competitive playing field for shipping by bringing existing legislation for UK ships into line with the minimum global standards for crew accommodation provided for in the MLC. They will also, once the entire package is in place, enable the UK ratification of the MLC, thus enabling the MCA to issue MLC certification to UK-flagged ships, reducing potential delays at ports in ratifying countries; and to enforce these minimum global standards for crew accommodation on non-UK registered ships that call at UK ports. Specific objectives for crew accommodation can be found in the Evidence Base.</p>		

What policy options have been considered, including any alternatives to regulation? Please justify preferred option

The Government's social partners, the British Chamber of Shipping and the seafarers' Trades Unions, support prompt ratification of the MLC. Doing nothing is not therefore considered to be an appropriate course of action, as new legislation is required to enable the UK to ratify the MLC. Furthermore, the UK is obliged to implement Directive 2009/13/EC implementing the European Social Partner's Agreement on the MLC. Failure to ratify the MLC would limit its effectiveness at addressing the issues on seafarer living and working conditions discussed above and would result in UK ships not being able to obtain MLC certification. The preferred policy option is therefore to introduce the proposed Regulations (Policy Option 1) which it is considered would make the minimum changes to existing legislation to implement the provisions of the MLC on crew accommodation. No further measures have been deemed to be necessary, and so only one Policy Option has been considered in this impact assessment.

Comments on the robustness of the OITO assessment

Going beyond minimum requirements. Since the proposed implementation of the MLC Guideline relating to the size of mess rooms goes beyond minimum international requirements, the IA now considers the proposal to be in scope of OITO. The IA explains why it is not possible to monetise the cost of this proposal but explains why any costs are likely to be negligible (page 13 and paragraph 9.1, page 25). This assessment appears to be consistent with the results of the consultation with industry. The Department therefore now classifies the proposal as Zero Net Cost. This assessment appears to be reasonable and is consistent with the current OITO Methodology (paragraph 1.9.12 of the Better Regulation Framework Manual).

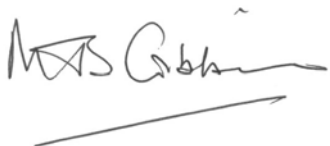
Comments on the robustness of the Small & Micro Business Assessment (SMBA)

As this proposal is of international origin, an SMBA is not required.

The IA, however, provides a Small Firms Impact Test and notes that the MCA has discussed the implications of the Convention with the Domestic Passenger Ship Steering Group and representatives of the Small Commercial Vessel sector, who represent the majority of small firms operating vessels that would be affected by the proposed Regulations. Furthermore, the IA states that a large proportion of small ships fall under the Small Commercial Vessels Code and operate on domestic voyages within 60 miles of a safe haven in the UK and would therefore not be covered by the UK's implementation of the MLC.

Quality of the analysis and evidence presented in the IA

The two additional issues raised in our previous Opinion (09/07/2013) have been addressed. The IA now clarifies the requirements on existing ships that are being modified and explains why the number of vessels is significantly lower than previously assumed.

Signed		Michael Gibbons, Chairman
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