



Joanna Dormon
Bay 2/30
Spring Place
105 Commercial Road
Southampton
SO15 1EG

Tel: +44 (0)23 8083 9642
Fax: +44 (0)23 8032 9104
E-mail: Joanna.Dormon@mcga.gov.uk

London Duck Tours
55 York Road
London
SE1 7NJ

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Dear Mr Bigos,

Thank you for your comments to the consultation on the proposed changes to certification and reversion to the original regulatory system of issuing five year certificates to non-MSN1823 vessels. The MC response can be found below, headings and numberings refer to those in the LDT comment paper:

General

- 1.1 The frustration at having two different systems is understood, however it is not possible at this time to amend the certification regime for vessels certificated under MSN 1823 as this is enshrined in legislation. In the future it is envisaged that all domestic passenger vessels will be certificated under one year validity certificates, in line with all other seagoing domestic and international passenger vessels. It is not felt that the disparity will result in confusion as the survey regime remains the same and both MSN 1823 and other vessels are required to have a renewal survey every year. It should also be noted that we currently already have two systems as SOLAS and EC classed ships have annual certificates, and UK Class III-VIAs and MSN1823's have five yearly certificates.
- 1.2 With regard to the concern around regulatory burden and additional visits it is important to note that the one year certificate will only change matters from a paperwork perspective. The survey regime and hence number of visits remains the same. The scope of survey remains the same.
- 1.3 The general exemption was originally introduced as a potential efficiency-saving measure. No significant cost benefit has been observed since the exemption has been in place. It has not worked as first intended. In addition to the fact that the intended benefits of the exemption did not materialise the MCA also considers that there are safety reasons for reverting to the original system.
- 1.4 As noted in the draft MIN there have been significant problems with the use of five yearly certificates. It is considered that there is sufficient call from industry and surveyors for renewal of certificate paperwork to justify removal of the exemption. Whilst there have already been changes

to certification reflecting modern technology and there will likely be changes in the future as electronic systems become ever capable there are no current plans to overhaul passenger ship certification in this way. It will make it easier for operators and the MCA to track the validity of current certification.

- 1.5 The MCA has been working on simplifying the regulations, such as producing codes of practice for a number of years, but such changes take time to implement across the board.

Specific points on MIN

- 2.1 Whilst training and education may help it is considered that aligning the certificate validity with the issue period provides clarity and removes the potential for confusion. As has been previously stated the validity of the certificate has always been dependent on the annual survey and thus a one year certificate issue is considered appropriate. Regulations are not being changed.
- 2.2 Although the certification system is increasingly electronic there are still elements of the system that rely on being able to display a valid certificate. An electronic system for issuing annual endorsements would not allow passengers to immediately and quickly verify the validity of the certification. It is important to remember the number of road vehicles vastly outweighs the number of domestic passenger ships when considering the investment needed for additional computer based systems. MCA is gradually introducing more computer based survey and inspection systems and your wishes might be achieved in future, but unfortunately not in the short to medium term.
- 2.3 Taken individually as issues these do not necessarily justify a return to pre-exemption certification, however when considered as part of the bigger picture these concerns contribute to the justification for removal of the exemption.
- 2.4 This is noted, however a one year certificate gives greater potential for harmonising changes with new certificates.
- 2.5 As per response to 2.1, reverting to the original certification period will remove the confusion.
- 2.6 As above, taken in isolation it may not be sufficient justification but forms part of the overall background. It must also be noted that this policy change will affect all domestic passenger vessels (excluding those certified under MSN 1823), not just Class V.

Informal consultation process

The background to this policy was 'raised' at DPSSG which may be considered to have been informal consultation. At this stage it was not clear that the removal of the exemption would not be possible for MSN 1823 vessels due to the legislation already in place. Following the proposed change in policy and the production of a draft MIN (including the separate provisions for MSN 1823 vessels) a formal consultation was undertaken via our website, this effectively replaced any previous discussions on the subject. There have been no changes to the MIN since then and it is thus not considered that further consultation will be required following the conclusion of this process.

London Duck Tours Specific Issues

- 4.1 The change will enable a one page certificate to be issued each year instead of stamping a five year certificate. We cannot see what administrative costs this will add to industry as it will be a simple substitution. With regard to the number of certificates this change will result in one additional certificate for four of the five years, this is in line with international and EU practice for passenger ships.
- 4.2 The new certificate will be amended to allow for extensions following survey completion, in line with other passenger ships. The local marine office will have some time to issue the certificate

and the vessel can continue to operate. This is a proven system that is used worldwide. Ships should not operate without a valid certificate.

- 4.3 When DSM audit is required under the new system, this can be done at the same time as the renewal survey. The mid-term audit is no longer required, however the MCA will still be undertaking a program of inspections of vessels in service. There are no additional demands for preparation over the current situation. In service inspections only require the vessel to be properly maintained for its normal business – which you need to do anyway, it therefore provides no additional demands. DSM will be a five year certificate, again this is in line with international and EU requirements for safety management.

Impact Assessment – Evidence and Results

- 5.1 Whilst the importance of Impact Assessments and Business Engagement Assessments (BEA) cannot be underestimated neither are considered to be required for this policy change and the accompanying MIN. The MIN does not alter legislation and will not result in any increased financial burden for industry, nor does it represent a significant change. It is considered that any financial impact on the MCA will be very small or non-existent for the reasons given. As the survey regime is not altered and the number of visits to the vessel remain the same, or reduced, then the small change in paperwork will not be overly time-consuming. Experience with the combined certificates has been to increase the burden which has not resulted in the expected benefits.

The requirement or otherwise for an IA or BEA was cleared internally prior to the consultation and the approach taken is considered to be justified.

- 5.2 As noted, this does not represent a two-tier system, in the future the aim is for all vessels to revert to one year certification. This just brings more vessels in line with what is done for other types of passenger vessels.
- 5.3 The MIN and policy change has also undergone an internal consultation including the Marine Offices, no such concerns were raised, but noting the Marine Office surveyors requested the change because of the problems encountered. As noted it is not expected that the removal of the exemption will create additional time burdens of any significance.
- 5.4 The annual issued certificates do not require any additional surveys beyond the existing requirements so this is not a concern. Where waivers relating to underwater area inspections are in place these will not be affected by the change in policy.
- 5.5 It is not considered that the policy change will result in a significant volume of additional paperwork (it simply reverts to the situation before the exemption). Marine Offices have reported the need to issue more paper with the combined certificates.
- 5.6 It is not considered that the MIN introduces any additional regulatory burden.
- 5.7 This policy change is driven by confusion and difficulties with the five year regime. It has not been found that the five year regime produced any real cost saving whilst in place and hence it may be removed. If there is an increased risk, it is with owners not recognising the need to carry out their annual surveys and therefore we consider this change does not introduce increased risks.

Conclusions and recommendations:

- 6.1 The proposed changes to the DSM system are expected to come into force for new audits after 6 April 2015. There will be no impact on the duration of passenger ships certificates and necessary changes to the certificate have been considered alongside those to remove the exemption. Essentially the DSM will be certificated separately as was the case prior to the exemption.
- 6.2 As discussed it is not currently envisaged that a DVSA system would be appropriate for domestic passenger vessels.

- 6.3 Formal consultation has been undertaken and comments responded to. No need has been identified for an IA. The change will not impose a financial burden on industry.
- 6.4 The offer from LDT is appreciated, however it is not considered that any further research is required at this time.
- 6.5 As already noted this is unfortunately not possible at this time.

In addition to the above response it has been noted that there has previously been some confusion regarding the certification of an LDT vessel where LDT considered that the vessel had had its annual survey after a surveyor had inspected the vessel to determine how much foam was in the boat although there was no supporting paperwork or certificate endorsement. It is felt that the five year certificate directly contributed to this misunderstanding as the date of expiry is not on the front page and that a one year certificate would have helped clarify the situation.

Thank you for your comments which have been considered, however your views are not supported by MCA and other industry representatives.

Yours sincerely,

Joanna Dormon – Passenger Ships Policy Manager