

Merchant Shipping (Ambulatory Reference) (Load Line) Regulations 2016

Department for Transport

RPC rating: fit for purpose

The IA is now fit for purpose as a result of the Department's response to the RPC's initial review. As first submitted, the IA was not fit for purpose.

Description of proposal

The International Convention on Load Lines and its Protocols (ILLC/ILLP) cover standards on hull strength, loading, and stability of ships. UK transposition of the ILLC/ILLP is not up-to-date. The Department for Transport intends to transpose recent changes to the convention and protocols into UK law. These changes include amendments to loading, stability, door, and hatch securing and measurements, drainage and strength of materials used in construction of ships, and depth in the water in the context of seasonal and geographic variant.

The Department is also considering introducing ambulatory referencing to refer the UK merchant shipping industry to the most up-to-date international load line legislation. Once an ambulatory reference to an international convention is introduced into a Statutory Instrument, new amendments to the convention will automatically become UK law. The Department believes this will reduce legal uncertainty and bureaucracy by referring industry participants to the most up-to-date international legislation.

Impacts of proposal

The IA explains that changes to the convention involve largely minor changes at a highly technical level. The Department, at this stage, has not been able to monetise the impact of the proposal, as the relevant information is not available. The Department, however, believes that the changes are broadly cost-neutral and has confirmed this with two stakeholders. The Department intends to use the consultation to gain, for the final stage impact assessment, a greater understanding of the costs and benefits.

The proposal introduces over one hundred individual amendments to the convention, of which the Department believes that, based on input from stakeholders, all but three are likely to be cost-neutral; this is because the new regulations either provide clarification, formalise existing good practice, or otherwise do not impose costs on

business. The other three are likely either to be cost-neutral or result in cost savings, due to these regulations representing a slight relaxation of the rules. The Department has not, at this stage, monetised the impact of the amendments.

The Department believes that the proposal to introduce ambulatory referencing will lead to cost savings, as ship owners would have to consult only on a single piece of legislation; this should lead to a reduction in future familiarisation costs.

The IA sets out that the main benefit of the proposal is to reduce the risk of maritime incidents, as a result of overloaded ships. The IA states that there may also be a reduction in insurance premia.

The proposal appears to be a non-qualifying regulatory provision that will not score under the business impact target, as it is an international measure that will be implemented according to the minimal requirements.

Quality of submission

Issues addressed following RPC's initial review

As initially submitted, one issue meant that the RPC did not consider the IA fit for purpose. Following the RPC's initial review, the Department submitted a revised IA that responds to the issue below.

Ambulatory referencing – the Department is considering introducing ambulatory referencing, whereby future changes to the ILLC/ILLP would automatically become UK law; as a result, in future, regulatory changes could be introduced without appropriate scrutiny, which could have a significant impact on business. The original IA did not discuss sufficiently the potential impact of ambulatory referencing.

The revised IA now provides further information on ambulatory referencing. The IA says that, in the last 28 years, there have only been ten amending resolutions; these have mainly provided further clarity, made marginal technical changes, or redefined geographic operational areas. Even those which made “real” changes to equipment standards did not have significant costs. No future changes are currently planned and those which do occur are expected to be minor. Any amendments will be reviewed through the post-implementation review process.

Other comments

At this stage, the Department has been unable to monetise the costs and benefits of the proposal. The Department should use the consultation to gather evidence to monetise, at the final stage, the expected impacts. Where amendments are

considered to be cost-neutral, the Department should provide evidence to support this claim. The IA states that any associated costs have already been incurred in order to continue operating internationally. The Department, nonetheless, should attempt to identify the impact of the proposal, even though it is international in origin.

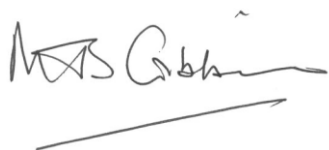
At the final stage, the Department should explore, in more detail, the issue of familiarisation costs, including whether the introduction of ambulatory referencing would result in future cost savings.

Departmental assessment

Classification	Non-qualifying regulatory provision (international)
Equivalent annual net cost to business (EANCB)	Not quantified
Business net present value	Not quantified
Societal net present value	Not quantified

RPC assessment

Classification	Non-qualifying regulatory provision (international)
Small and micro business assessment	Not required (international)



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