
Life Saving Appliances - Inflatable Non-SOLAS Liferrafts, Lifejackets, Marine Evacuation Systems, Danbuoys and Lifebuoys – Technical Standards and Servicing Requirements

Department for Transport – Maritime and Coastguard Agency

RPC rating: validated

Description of proposal

The Maritime and Coastguard Agency (MCA) replaced existing Marine Guidance Note (MGN) 499 (M+F), which “*provides guidance on the MCA policy with regards to the acceptable standards of non-SOLAS inflatable Life-Saving Appliance (LSA)*”, with MGN 553 (M+F). The new document introduces a requirement for “*operators of commercial fishing vessels, small commercial vessels and domestic passenger ships to replace ORC life rafts with ISO life rafts over a transitional five year/five service period.*”

Other minor changes include:

- i) *Recommending extra care be taken when servicing Gas Inflation Systems..*
- ii) *Re-stating the relevant standards for conditions of service stations and conduct of servicing for non-SOLAS inflatable life rafts.*
- iii) *Re-stating existing standards for ISO 9650 life rafts, servicing in accordance with manufacturer instructions and acceptance of lifebuoys and danbuoys on certain Small Commercial Vessels (SCVs).*

Impacts of proposal

Based on the Single Vessel Database, the MCA estimates that around 500 businesses will be in scope of the measure.

Vessel operators already face a requirement to replace OCR with ISO life rafts at the end of their serviceable life. This means that the new guidance will impose an additional cost only as far as it forces businesses to replace life rafts sooner than they would otherwise have done.

On the basis of consultation evidence, the MCA estimates that each ISO life raft is likely to be £280 more expensive than the ORC life raft. It is also assumed that 50 per cent of all vessels in scope of the guidance (250) will currently carry ORC life rafts on board.

Based on the typical serviceable life of an ORC life raft of 24 years, the MCA estimates that 545 life rafts will have to be replaced sooner as a result of the new guidance, at a total cost of £14,390.

Familiarisation costs are considered to be negligible.

The MCA expects the new guidance will lead to benefits in the form of reduction of accidents but does not monetise them.

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. This will be a qualifying regulatory provision that will score under the Business Impact Target.

Quality of submission

The MCA has presented a proportionate analysis of the likely impacts of this measure. The BIT assessment explains clearly how relevant impacts were monetised and what assumptions were made in the process. Although some assumptions could have been better evidenced, they seem reasonable and even large corrections would not lead to a material increase in EANDCB. The RPC acknowledges that the measure has support from the industry.

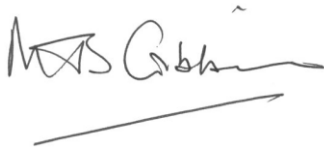
In order to improve the accuracy of impact estimates the assessments should have calculated the lost value of the remaining useful lifetime of ORC rafts. The regulation forces vessel owners to dispose of rafts which would have been used otherwise and therefore reduces the value of assets they own. This impact could have been calculated by amortizing the value of new life rafts across their useful lifetime and estimating the value of useful years lost. The RPC acknowledges that this additional cost would not have materially changed the EANDCB of the policy.

Departmental assessment

Classification	Qualifying regulatory provision (IN)
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Zero

RPC assessment

Classification	Qualifying regulatory provision (IN)
EANCB – RPC validated ¹	Zero
Business Impact Target (BIT) Score ¹	Zero
Small and micro business assessment	Not required (fast track low-cost regulation)



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.
