 Regulatory Policy Committee	Opinion	
Impact Assessment (IA)	Merchant Shipping (Standards of Training, Certification and Watchkeeping and Safe Manning) Regulations 2014	
Lead Department/Agency	Department for Transport	
Stage	Final	
IA number	DFT00256	
Origin	International	
Expected date of implementation	March 2015 SNR 9	
Date submitted to RPC	17 November 2014	
RPC Opinion date and reference	18 December 2014	RPC13-DFT-1952(2)
Departmental Assessment		
One-in, Two-out status	Out of scope	
Estimate of the Equivalent Annual Net Cost to Business (EANCB)	£7.4 million	
RPC Overall Assessment	GREEN	
<p>RPC comments</p> <p>The IA is fit for purpose. The IA provides a reasonable assessment of the costs and benefits of the proposal. The estimated equivalent annual net cost to business (EANCB) is £7.4 million. The Department has revised the EANCB following the RPC identifying a small calculation error. The measure is out of scope of One-in, Two-out because it derives from an international agreement. Two additional measures in the Directive go beyond the international agreement but do not have any impact on business. On the basis of the information provided, the RPC can validate the EANCB as a reasonable estimate of the direct costs to business.</p>		
<p>Background (extracts from IA)</p> <p>What is the problem under consideration? Why is government intervention necessary?</p> <p><i>“The purpose of the international standards of training, certification and watchkeeping (STCW) legislations for seafarers is to establish basic requirements for the training of seafarers on an international level. Human error is recognised as the cause of a large percentage of maritime casualties and pollution incidents and STCW tackles this problem by setting minimum standards of knowledge, experience and professional competence for seafarers. STCW is being amended due to recent developments in the maritime sector. Furthermore if the UK fails to implement the STCW amendments it would be unable to issue certificates to seafarers meaning they could not work on UK vessels trading internationally or other nations’ merchant fleets. The updates to STCW have been included in an amending Directive 2012/35/EU.”</i></p> <p>What are the policy objectives and the intended effects?</p>		

“The policy objective is to ensure that seafarers receive the proper level of training needed in order to minimise maritime casualties and pollution incidents. Furthermore if training and certification standards in the UK do not remain compliant with STCW UK-trained seafarers will not be able to continue to work in international waters after 1 January 2017.”

Comments on the robustness of the OITO assessment

The IA states (page 17) that the proposal *“implements the minimum requirements of the Manila Amendments to the STCW amendment and the additional areas of EC Directive 2012/35 and thus... falls outside the scope of “One In - Two Out”*.

Two additional measures in the Directive go beyond the international agreement but do not have any impact on business. The Department’s OITO assessment appears to be a reasonable assessment and is in accordance with the Better Regulation Framework Manual (paragraph 1.9.8.iii).

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

The proposals are of international origin and, therefore, a SaMBA is not required. The IA does, however, helpfully include a short section on the impacts on small firms.

Quality of the analysis and evidence presented in the IA

The proposal implements amendments to the International Convention for the Standards of Training, Certification and Watchkeeping (STCW) agreed at a conference in Manila in 2010. The amendments are intended to increase safety at sea through more regular refresher training of core skills throughout a seafarer’s career. The IA lists seven areas of amendments, although the Department expects only three of these will have a significant impact on business. These are:

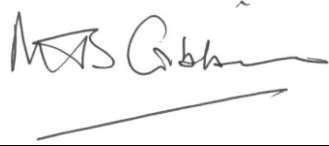
- New requirements concerning certification for able seafarers for electro-technical officers (ETOs) and security-related training for all seafarers (£2.9 million present value, over ten years).
- Five-yearly refresher training for some courses that are currently undertaken once at the beginning of every seafarer’s career (£59.3 million).
- Additional training in Human Element, Leadership and Management (HELM), electronic charts (ECDIS) and high voltage (£13.3 million).

The IA uses Maritime and Coastguard Agency (MCA) data on the number of seafarers affected by the proposal. It estimates this to be 39,665, consisting of 26,045 ratings and 13,620 officers. It combines this with estimates of the likely cost of the training courses and data from the ONS on the wage rates of seafarers to produce overall cost estimates. It also uses ONS data to estimate the opportunity cost of the seafarers’ time spent on courses.

The IA reports the results of the consultation and explains why the estimates of costs are reasonable. The IA has addressed the comments in the RPC's previous opinion on the consultation stage IA.

The Department has revised the EANCB from £8.0 million following the RPC identifying a small calculation error. On the basis of the information provided, the RPC can validate the EANCB of £7.4 million as a reasonable estimate of the direct costs to business.

Signed

A handwritten signature in black ink, appearing to read "Michael Gibbons", with a long horizontal line underneath it.

Michael Gibbons, Chairman