

Summary: Intervention & Options

Annex C

Maritime & Coastguard Agency

Impact Assessment of IMPLEMENTATION OF DIRECTIVE 2008/67/EC AMENDING DIRECTIVE 96/98/EC ON MARINE EQUIPMENT

Stage: Final

Version: 6

Date: 22 May 2009

Related Publications: Council Directive 96/98/EC of 20 December 1996 on marine equipment Statutory Instrument 1999 No 1957 The Merchant Shipping (Marine Equipment) Regulations 1999

Available to view or download at:

<http://www.mcga.gov.uk/shipsandcargoes/consultations/mcga-currentconsultations>

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What is the problem under consideration? Why is government intervention necessary?

The purpose of the Marine Equipment Directive is to enhance safety at sea and the prevention of marine pollution through the uniform application of the relevant international instruments relating to marine equipment for which EC type approval safety certificates are issued. The new EC Directive 2008/67/EC amends Directive 96/98/EC and enters into force on 21 July 2009. It includes a new Annex A1 that updates the list of appropriate international standards to be used as a basis for type approval. Article 2 of the Directive includes details of transitional arrangements for equipment for which standards are newly listed or which formerly appeared in Annex A2. Transitional arrangements will be in force until 21 July 2011 for equipment manufactured before 21 July 2009 provided certain conditions are met as stated in MSN 1734 and 1735. This reduces the risk to manufacturers, distributors and retailers who might otherwise be left holding stocks of maritime equipment which they could not sell in EU countries.

What are the policy objectives and the intended effects?

The policy objective is the full implementation of Directive 2008/67/EC in order to enhance safety at sea and the prevention of marine pollution through the uniform application of standards to marine equipment for which EC type approval safety certificates are issued. The intended effect of the transitional arrangements are a smooth and equitable transition into the new standards which will ensure that for a two year period manufacturers, distributors and retailers may market their stock of maritime equipment that would otherwise be made obsolete by implementation of the Directive.

What policy options have been considered? Please justify any preferred option.

No alternative options are appropriate for consideration because the UK as a Member of the European Community is required to implement this Directive by 21st July 2009.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

The policy will be reviewed one year after its introduction on 21 July 2009.
(Note that amendment 5 comes into effect from 6 April 2010)

Ministerial Sign-off For final proposal/implementation stage ~ Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:

..... Date:

Summary: Analysis & Evidence

Policy Option: 1	Description: IMPLEMENTATION OF DIRECTIVE 2008/67/EC of 30 June 2008 AMENDING DIRECTIVE 96/98/EC ON MARINE EQUIPMENT
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COSTS	ANNUAL COSTS	Description and scale of key monetised costs by 'main affected groups'				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">One-off (Transition)</td> <td style="width: 30%; text-align: center;">Yrs</td> </tr> <tr> <td style="padding: 2px;">£ 0</td> <td style="text-align: center;">2</td> </tr> </table>		One-off (Transition)	Yrs	£ 0	2
	One-off (Transition)		Yrs			
	£ 0		2			
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Average Annual Cost (excluding one-off)</td> </tr> <tr> <td style="padding: 2px;">£ 0</td> </tr> </table>	Average Annual Cost (excluding one-off)	£ 0				
Average Annual Cost (excluding one-off)						
£ 0						
Total Cost (PV)		£ 0				
Other key non-monetised costs by 'main affected groups' Delay to the benefits calculated for Directive 2008/67/EC.						

BENEFITS	ANNUAL BENEFITS	Description and scale of key monetised benefits by 'main affected groups'				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%; padding: 2px;">One-off</td> <td style="width: 30%; text-align: center;">Yrs</td> </tr> <tr> <td style="padding: 2px;">£ 0</td> <td style="text-align: center;">2</td> </tr> </table>		One-off	Yrs	£ 0	2
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Average Annual Benefit (excluding one-off)						
£ 0						
Total Benefit (PV)		£ 0				
Other key non-monetised benefits by 'main affected groups' Avoidance of costs to the marine equipment supply chain of the holding of stock otherwise rendered obsolete by implementation of the Directive.						

Key Assumptions/Sensitivities/Risks Full benefits envisaged for the Directive would be delayed. Obsolescence costs to the marine equipment supply chain are reduced.

Price Base Year N/A	Time Period Years 2	Net Benefit Range (NPV) £ 0	NET BENEFIT (NPV Best estimate) £ 0
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What is the geographic coverage of the policy/option?	United Kingdom				
On what date will the policy be implemented?	21 July 2009				
Which organisation(s) will enforce the policy?	DfT (MCA)				
What is the total annual cost of enforcement for these organisations?	£ 0				
Does enforcement comply with Hampton principles?	Yes				
Will implementation go beyond minimum EU requirements?	No				
What is the value of the proposed offsetting measure per year?	£ 0				
What is the value of changes in greenhouse gas emissions?	£ 0				
Will the proposal have a significant impact on competition?	No				
Annual cost (£-£) per organisation (excluding one-off)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">Micro N/A</td> <td style="width: 25%; text-align: center;">Small N/A</td> <td style="width: 25%; text-align: center;">Medium N/A</td> <td style="width: 25%; text-align: center;">Large N/A</td> </tr> </table>	Micro N/A	Small N/A	Medium N/A	Large N/A
Micro N/A	Small N/A	Medium N/A	Large N/A		
Are any of these organisations exempt?	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">No</td> <td style="width: 25%; text-align: center;">N/A</td> <td style="width: 25%; text-align: center;">N/A</td> </tr> </table>	No	No	N/A	N/A
No	No	N/A	N/A		

Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)
Increase of £ 0	Decrease of £ 0	Net Impact £ 0

All figure are annual costs and benefits quoted at constant prices, except where reference is made to (net) present value, indicated by (N)PV.

Evidence Base (for summary sheets)

The purpose of the Marine Equipment Directive is to enhance safety at sea and the prevention of marine pollution through the uniform application of the relevant international instruments relating to marine equipment for which EC type approval safety certificates are issued. The new EC Directive 2008/67/EC amends Directive 96/98/EC and enters into force on 21 July 2009. It includes a new Annex A1 that updates the list of appropriate international standards to be used as a basis for type approval. Article 2 of the Directive includes details of transitional arrangements for equipment for which standards are newly listed or which formerly appeared in Annex A2. Transitional arrangements will be in place until 21 July 2011 for equipment manufactured before 21 July 2009 provided certain conditions are met. This reduces the risk to manufacturers, distributors and retailers who might otherwise be left holding stocks of maritime equipment which they could not sell in EU countries. The equipment affected by this provision is listed below with the previous reference in brackets:

1. Life Saving Appliances

A.1/1.41: Winches for survival craft and rescue boats (new item)

A.1/1.42: Pilot ladder (new item)

3. Fire Protection Equipment

A.1/3.51: Fixed fire detection and fire alarm systems components for control stations, service spaces, accommodation spaces, machinery spaces and unattended machinery spaces (transferred from Annex A.2/3.5; 2/3.6; 2/3.7; 2/3.16; and 2/3.17)

A.1/3.52: Non-portable and transportable extinguishers (transferred from Annex A.2/3.1)

A.1/3.53: Alarm devices (transferred from Annex A.2/3.18)

A.1/3.54: Fixed oxygen analysis and gas detection equipment (new item)

4. Navigation Equipment

A.1/4.40: Heading control system for high speed craft (formerly autopilot) (transferred from Annex A.2/4.2)

A.1/4.41: Transmitting heading device THD (GNSS method) (transferred from Annex A.2/4.3)

A.1/4.42: Searchlights for high speed craft (transferred from Annex A.2/4.5)

A.1/4.43: Night vision equipment for high speed craft (transferred from Annex A.2/4.6)

A.1/4.44: Differential beacon receivers: DGPS, DGLONASS Equipment (transferred from Annex A.2/4.12)

A.1/4.45: Chart facilities for shipborne radar (transferred from Annex A.2/4.21)

A.1/4.46: Transmitting heading device THD (Gyroscopic method) (transferred from Annex A.2/4.22)

A.1/4.47: Simplified voyage data recorder (S-VDR) (new item)

5. Radiocommunication equipment

A.1/5.19: Inmarsat-F SES (transferred from Annex A.2/5.3)

6. Equipment required under COLREG 72

A.1/6.1: Navigation lights (transferred from Annex A.2/6.1)

Costs

Directive 2008/67/EC will affect all sea-going ships registered in EU member states covered by international conventions and all manufacturers of the equipment specified in Annex A of the Directive.

It is unlikely that the implementation of Article 2 of the Directive will involve any additional cost to business because it allows for a two-year transitional period until 21 July 2011. During this period the equipment identified above that was manufactured before 21 July 2009 in accordance with type approval already in force in an EC member state before that date may be:

- a. Placed on the market, supplied for use or offered for supply within the UK; and
- b. Placed on board a ship, the relevant safety certificate of which was issued by or on behalf of a member state in accordance with the international conventions.

Any non-monetised costs associated with this transitional provision will therefore be generated by the partial delay to the full benefits envisaged for the Directive.

Benefits

There may be some benefit for manufacturers, ship owners and retailers as the equipment subject to these transitional arrangements may continue to be marketed until 21 July 2011.

Non-monetised benefits of this transitional provision relate to the removal of costs of disposal of equipment that would otherwise have been rendered obsolete.

Small Firms and Competition impacts

There is no restriction regarding the market price or where the product is sold providing it meets the minimum standards required. It is therefore unlikely that competition and small firms would be adversely affected.

Enforcement

Enforcement of safety rules and compliance is carried out by MCA surveyors during vessel surveys. Vessels which are found not to have equipment on board that complies with these regulations in accordance with United Kingdom legislation may be liable to detention. Vessels which are detained are required to pay fees to the MCA. Owners who fail to comply or make false declaration may be liable to prosecution.

Consultation

These Regulations, with the associated Impact Assessment and draft Marine Shipping Notices 1734 and 1735, were consulted on over a period of 2 months between 31 March and 25 May 2009. This reduced period was agreed as appropriate in view of the content not being controversial for the maritime industry as this just updates and expands the list of equipment for which EC type approval safety certificates are required and because there was a 2 year transitional period for the industry for four new items and 12 transferred items (representing only 7% of all items of equipment) that now had an international standard.

The industry is involved in working groups and meetings about the MED amendments and is therefore aware of the agreed changes well in advance of the EC Directives being published. For this amendment the EC Directive was published on 30 June 2008. The consultation therefore focused on our proposals and handling of the transposition of the Directive into UK law.

The consultation package was placed on the MCA's website and a press notice was released by the MCA to inform the general public and industry of this consultation. Nine consultee comments were received.

The public consultation has therefore welcomed the transposition of this EC Directive and has confirmed the Impact Assessment presents a reasonable view of likely costs and benefits. There were no specific comments on the Impact Assessment.

In view of the comments received that favour the approach taken we will therefore use this as a basis for the forthcoming implementation of the 5th amendment which comes into effect on 6 April 2009.

Specific Impact Tests: Checklist

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No