EXPLANATORY MEMORANDUM

The Merchant Shipping (Fees) (Amendment) Regulations 2004 No. 1977

1. i) The Merchant Shipping (Fees) (Amendment) Regulations 2004 ("the Regulations").

ii) This explanatory memorandum is laid before Parliament by Command of Her Majesty. It contains information for the Joint Committee on Statutory Instruments.

iii) These Regulations and the memorandum have been prepared by the Department for Transport.

2. This instrument is subject to annulment in pursuance of a resolution of either House of Parliament.

Brief description of the Regulations

3. The Regulations make changes to certain of the fees charged under the Merchant Shipping (Fees) Regulations 1996 (S.I. 1996/3243) ("the principal Regulations") and introduce some new fees.

Enabling powers and requisite consultation

4. The Regulations are made under powers conferred by section 302(1) of the Merchant Shipping Act 1995, together with section 2(2) of the European Communities Act 1972 and section 56 of the Finance Act 1973. The latter two powers are used for the purpose of regulation 4(12), which creates fees and adjusts the system in respect of services relating to port waste management plans and port waste reception facilities. This system was introduced by regulations which in turn implemented Community obligations (S.I. 2003/1809).

5. The Regulations are made with the consent of the Treasury and following consultation with the shipping industry and appropriate interested organisations. Letters were sent to 225 organisations and comments received from 10 organisations.

Policy background and wider legislative context

6. These Regulations principally amend fees relating to marine surveys, examinations and certification. The increases to fee rates are either in line with inflation, including appropriate increases to certain fees that have not been increased for some time, or are such as to ensure that the Maritime and Coastguard Agency (MCA) breaks even in accordance with Treasury guidelines. In one instance it has not been necessary to implement a proposed increase from £50 to £70 in view of identified efficiency savings.

7. Percentage rises in relation to fees relating to the examination and certification of seafarers are at above inflation rates because these items are related to increased security measures adopted to counter the threat from international terrorism. Inevitably such measures entail costs and the MCA has an obligation under HM Treasury's Fees and Charges Guide to make a full recovery of the cost of the statutory services it provides.

8. The Department recognizes that the principal Regulations have now been amended a number of times. It is intended that on the occasion of the next revision, which is likely to be during 2005, the principal Regulations will be revoked and replaced.

Geographical application

9. The Regulations will apply to the United Kingdom as a whole. The subject matter of the Merchant Shipping Act 1995 is specifically reserved in Scotland.

Compatibility with Convention Rights

10. It is my view that the provisions of the Order are compatible with the Convention Rights as defined in section 1 of the Human Rights Act 1998.

Financial impact

11. A regulatory impact assessment has been produced and copies may be obtained from the Maritime and Coastguard Agency, Spring Place, 105 Commercial Road, Southampton, SO15 1EG (telephone number 02380 329509 or 329472).

Contact

12. The official within the MCA who can be contacted with any queries in relation to these Regulations is Jane Jackson, Finance and Contracts Directorate, Maritime and Coastguard Agency, Spring Place, 105 Commercial Road, Southampton SO15 1EG; telephone 02380 329472; e-mail: jane_jackson@mcga.gov.uk.

July 2004