



BRIEFING NOTE FROM THE CHAMBER OF SHIPPING **THE MERCHANT SHIPPING (SHIP-TO-SHIP TRANSFERS) REGULATIONS 2010**

Introduction

The regulations prohibit the Ship-to-Ship transfer of oil within UK territorial waters unless performed under license in Harbour Authority Areas.

The UK already has an outstanding, almost impeccable safety record on ship-to-ship transfer (STS). The Regulatory Policy Committee recently concluded that the case for further regulation had not been made, and the consultation report itself highlighted the very high standards of safety mechanisms already in place.

These regulations, therefore, tamper needlessly with an existing system that is proven to work effectively and efficiently. As such, these new regulations will cost the industry £9.6m pa for zero environmental benefit and may even increase the risks associated with STS.

Key points

1. That the proposed legislation does not stand up to a comprehensive cost/benefit analysis and that it is out with the Cabinet Office's Better Regulation initiative to regulate only when necessary. The Regulatory Policy Committee's assessment of these regulations concluded that 'The case for the prohibition of ship-to-ship oil transfers in UK territorial waters outside of harbour areas has not been made'.
2. Any legislation seeking to protect the environment should be based upon the three pillars of sustainability. At present, the proposed legislation does not meet the economic test as the significant additional costs to industry will not be offset by a commensurate improvement in environmental protection. It fails to meet the environmental pillar as the risks associated with STS might actually increase; It fails the social pillar as the additional costs described above do not take into account the loss of both ship and shore-based jobs that are dependent upon this activity.
3. Despite the low risk associated with STS operations the shipping industry is not complacent and has been actively involved in developing International Maritime Organisation's (IMO) Guidelines which came into force on 01 January 2010 – The industry supports an immediate voluntary introduction of the recently adopted

amendment to MARPOL Annex 1, Chapter 8 'Prevention of Pollution during Transfer of Oil Cargo between Oil Tankers at Sea.' This requires STS operators acting within the territorial sea or EEZ to notify the respective Coastal State and follow an approved STS plan.

4. Last not the least – it is opposed by all the key stakeholders, including the Chamber of Shipping, British Ports Authority, UK Major Ports Group and the British Tugowners Association.

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