

Summary: Intervention & Options

Department /Agency: Defra	Title: Impact Assessment of Commission Proposals establishing a Control System to ensure compliance with the CFP	
Stage: Initial	Version: 1	Date: 23 March 2009
Related Publications: COM (2008)721 final		

Available to view or download at:

<http://www.>

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

The cornerstone of the Common Fisheries Policy (CFP) is to limit and control catch volumes by setting total allowable catches (TACs) and national quotas coupled with technical rules and effort schemes. The control policy is at the heart of the CFP, whose credibility depends on effective application of the control measures adopted. The current control system is inefficient, expensive and complex and does not make the best use of modern technologies and take into account modern fishing practice. Government intervention is needed to provide a revised control regime which is more effective, simpler to operate, more cost effective and leads to greater compliance and which is consistent across member states.

What are the policy objectives and the intended effects?

To ensure that the final version of the revised Regulation makes full use of available technology to simplify control provisions and, where possible, to reduce the administrative burdens on fishermen and competent authorities, whilst providing sustainable means of fishing that can be enforced by Authorities. It should also provide a level playing field for Member States to administer controls with as great a level of transparency as possible.

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

Two options have been considered. 1. Do Nothing and 2. Accept the proposal in full. Option 2 (the preferred option) will provide a platform for playing a full and active part in the EU negotiations to ensure as far as possible that the measures adopted are proportionate, fair and effective. This option will allow concerns expressed by both stakeholders and Fisheries Administrations in the UK to be addressed and also allow Ministers to seek reductions in current control burdens where possible without weakening necessary controls.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? Defra will carry out a review of the policy and the costs and benefits 2 - 3 years after implementation

Ministerial Sign-off For consultation 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: 5/5/09

Summary: Analysis & Evidence

Policy Option: 1	Description: Implementation of proposal as drafted in full
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' (i) One-off cost of £4 m for installing VMS units and e-logbook equipment (tbc whether cost will be incurred by govt or vessels) (ii) Annual cost of £464 k to vessels due to VMS, e-logbook and prior notification requirements. (For more details see evidence base and Table 1)
	One-off (Transition)	Yrs	
	£ 4,295k	1	
	Average Annual Cost (excluding one-off)		
£ 531k	5	Total Cost (PV) £ 6,549k	
Other key non-monetised costs by 'main affected groups'			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' (i) reduction in admin burden for vessels due to removing requirement for paper logbooks [£2m p.a.] (ii) benefit to vessels from removing requirement for sales notes [£695k p.a.] (iii) benefit to vessels from removing requirement to submit effort reports [£7k p.a.]. (For more details see evidence base and Table 2)
	One-off	Yrs	
	£ 0	5	
	Average Annual Benefit (excluding one-off)		
£ 2,027k to 2,701k	5	Total Benefit (PV) £ 9,154k to 12,195k	
Other key non-monetised benefits by 'main affected groups'			

Key Assumptions/Sensitivities/Risks That most vessels and Buyers and Sellers will have suitable equipment for running new software and systems. That vessels will have adequate power to continuously run these systems and that suitable technology is available to enable implementation.

Price Base 2009	Time Period 5 years	Net Benefit Range (NPV) £ 2,605k to 5,646k	NET BENEFIT (NPV Best estimate) £ 2,605k to 5,646k
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What is the geographic coverage of the policy/option?			UK		
On what date will the policy be implemented?			1/01/2010		
Which organisation(s) will enforce the policy?			MFA, SFPA, SFI		
What is the total annual cost of enforcement for these organisations?			£ 31,504		
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?			£		
What is the value of changes in greenhouse gas emissions?			£		
Will the proposal have a significant impact on competition?			No		
Annual cost (£-£) per organisation (excluding one-off)		Micro	Small	Medium	Large
Are any of these organisations exempt?		No	No	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices) (see Table 3 for details)			(Increase - Decrease)	
Increase of	£0	Decrease of	£1,808k to 2,408k	Net Impact £-1,808k to £-2,408k

Key: Annual costs and benefits: Constant Prices (Net) Present Value

[Use this space (with a recommended maximum of 30 pages) to set out the evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Ensure that the information is organised in such a way as to explain clearly the summary information on the preceding pages of this form.]

1. This Council proposal will completely replace all control provisions in Council Regulation 2847/93 of 12 October 1993 establishing a control system applicable to the common fisheries policy, as well as control provisions contained in a number of other pieces of Community legislation

Background

In 2005 the Commission published a 3 year Action Plan for the simplification of the CFP. One element of this was to be a review of the Control Regulation including, in particular, increasing the use of modern technologies. At the beginning of 2008 the European Court of Auditors (ECA) published a report on the control, inspection and sanctions systems relating to the rules on conservation of Community fisheries resources. The report was highly critical of the control systems in place throughout the Community. It concluded that fishing data collected in Member States are unreliable and incomplete, that national inspection procedures to detect and prevent infringements are ineffective and that the penalties imposed by national authorities when infringements are detected are not sufficiently onerous to act as a deterrent. It also pointed out that the Commission lacks the powers to bring timely and persuasive pressure to bear on Member States when they fail to respect their CFP obligations, and the means to effectively to verify the data provided by the Member States or to evaluate their national performances.

In April 2008, the Council of Fisheries Ministers acknowledged the importance of the points raised by the ECA, welcomed it as useful guidelines for further reform and agreed that the rules of the CFP should be simple, enforceable and cost-effective.

The proposal that the Commission has now made goes a considerable way to addressing the issues highlighted by the ECA and the UK Government is fully committed to the broad thrust of the measures proposed. Nevertheless the proposal is an extremely complex one and we are currently carrying out a full analysis of its many implications. It contains a number of very good ideas for strengthening the current control arrangements which we would support, including the extended use of new technologies such as vessel monitoring and electronic recording systems to speed up the receipt of catch data.

We do however need to be sure that where the proposal imposes new burdens on industry and on administrations these are justified and proportionate. One of the objectives of the proposal is to make control and enforcement of the CFP more cost-effective. This should lead to more effective use of enforcement resources throughout the UK.

2. Rationale for Government Intervention

The controls applied to the Common Fisheries Policy are pivotal to it's the success. Due to its global and integrated approach, focusing on every aspect of the CFP, the reform of the control policy should not only improve control capacity and management of fisheries resources and establish a level playing field in the EU, but also have a positive structural impact on the fishing industry and on the market and thus, combat the environmental economic and social consequences of non-compliance. This is an important issue for the UK fishing industry and which requires Government Intervention to ensure a consistent and complete approach both nationally and internationally.

3. Consultation

Within Government

Discussions between UK Fisheries Administrations have already taken place to assess the changes proposed in this document and to agree where difficulties and further clarification is needed to establish a UK position. Further discussions will take place throughout the negotiations on this proposal and into implementation of the final Regulations.

Public Consultation

A letter to stakeholder groups was sent when the proposal was first received from the Commission. This alerted stakeholders to the proposal and asked them for initial reactions to assist in formulating a UK position for negotiating purposes. Meetings have also been held with some representative groups including fishermen's organisations and recreational sea anglers. This IA will form the basis for a full consultation with those stakeholders affected by the proposal.

4. Options

Two Options have been identified for this proposal.

Option 1. Do nothing

This option would mean continuing to apply the existing arrangements set out in Council Regulation 2847/93 whose control provisions have been recognised as deficient by the European Court of Auditors and by Fisheries Ministers. This would not provide any strengthening of control provisions for the CFP and would make no use of new technologies to improve the timeliness or accuracy of the data provided, nor would reductions in current administrative burdens be reduced. In the following assessment it has been assumed that this option would not lead to any additional costs or benefits unless stated otherwise.

Option 2.

Accept the Commission proposal. This would mean applying the final version of the proposal and the additional controls contained therein. The resulting Regulation would provide stronger controls in support of the CFP and would deliver some benefits in terms of reduced administrative burdens but these will be off-set to some extent by additional costs to both UK Fisheries Administrations and stakeholders. The costs and benefits identified in this Impact Assessment are based on the proposal as currently drafted and will be updated in the light of any changes made to the proposal. Some of those costs could be disproportionate compared to the additional control benefits achieved. Opportunities to look for reduction of burdens may also have been missed along with the means of improving and strengthening existing controls to provide effective risk based controls. The costs and benefits of Option 2 for each of the proposals are set out in the assessment.

5. Cost and benefits

Sectors and groups affected

There will be a wide range of sectors and groups affected by these proposals. These will include fishermen, registered buyers and sellers of first sale fish, recreational sea anglers, transporters of fish and those industries involved in the onward chain of processing and sale of fish products. There will also be an impact for the enforcement bodies carrying out these controls.

Below is an assessment of costs and benefits of the proposal

Articles 1-5

These are general introductory Articles with no cost or benefit implications

Article 6 Fishing licence management by Member States

This Article requires all Community fishing vessels to be issued with a fishing licence by their flag Member State Authorities. Those Authorities must manage the system of licensing and ensure that adjustments due to withdrawal, suspension or other removal of a licence are done in accordance with EC Regulation 1005/2008.

There is no change to the requirements currently in place under Regulations 1281/85 & 2371/2002. This would maintain the status quo.

Sectors and groups affected

There are 5936¹ fishing vessels registered and licensed to fish in the UK fleet. The requirement to hold a licence to fish is currently managed by the UK Fisheries Authorities or their Agents and would continue to be so under the proposal.

Costs and benefits

Implementing the proposal in full would replicate current practice and so again would not add or remove any cost or benefit to either Government or stakeholders.

Article 7 – Fishing Authorisation

The Article requires licensed community fishing vessels fishing in certain fisheries or fishing zones to hold a fishing authorisation. This authorisation may be valid for certain times or with specific requirement in terms of fishing gear allowed on board or other set conditions. This would be no change to requirements currently in place under Regulation 1281/2005 and so would maintain the status quo.

Sectors and groups affected

There are 5936 fishing vessels in the UK Fleet. 1416² of those vessels (i.e. those over 10m length) would be subject to fishing authorisation obligations in one form or another arising from EU management measures at some time during a normal fishing year. This is currently managed by the UK Fisheries Authorities or their Agents and would continue to be under the proposal.

Costs and benefits

Implementing the proposal in full would replicate current practice and would not add or remove any cost or benefit to either Government or stakeholders.

Article 8 Marking of fishing gear

This Article requires the Master of a fishing vessel to respect conditions and restrictions relating to the detailed rules for the marking and identification of vessels and their gear.

¹ Information on UK registered vessels is taken from Marine & Fisheries Agency Statistics website. Figures were correct as of 1 Jan 2009.

² Numbers of vessels notified to the Commission for fishing Authorisation purposes by Marine & Fisheries Agency Statistics Section in 2008.

Sectors and groups affected

There are 1702³ fishing vessels in the UK fleet that used the fishing gears subject to the requirements of the Marking of Gear Regulation (356/2005) during 2008 (229 vessels over 10m length and 1473 vessels 10m and under). These apply to beam trawlers and those vessels using passive gear (trammel nets, longlines, gill nets and drift nets). Any changes to these requirements would be determined in accordance with Management Committee procedures and would be subject to discussion with Member States.

Costs and benefits

Implementing the proposal in full would replicate current practice and would not add or remove any cost or benefit to either Government or stakeholders.

Article 9 – Vessel Monitoring Systems

This Article requires Member States to operate a satellite-based vessel Monitoring System (VMS) which provides information on the position, course and speed of their own fishing fleet wherever they may be in the world and for other Member State and 3rd country fishing vessels in their waters. The system is operated on a flag state principle which means that it is for the flag state to collect the data and then send (in real time) the information to third parties if the vessel is fishing in the waters of another Member States or 3rd Country with whom the EU has an agreement on VMS data.

Currently all EU vessels over 15m in overall length are required to have VMS equipment and to submit 2 hourly position, course and speed reports to their Fisheries Monitoring Centres (FMCs) unless fishing in Norwegian waters where hourly reporting is required. The new proposal would require a further 683⁴ vessels between 10.0m1 – 15m to have VMS terminals fitted and to be monitored by UK FMCs.

Sectors and groups affected

All vessels over 10m in overall length will be required to have VMS equipment on board and to send continuous position reports in accordance with the detailed rules (currently every 2 hours). It will also mean that inspection agencies in the UK will have to monitor these vessels and investigate and deal with alarms etc generated from missed reports. The current UK VMS system would be able to deal with the additional communication traffic.

Costs

Stakeholders

In the UK the additional requirements for vessels between 10m and 15m in overall length to have VMS equipment onboard would affect 683 vessels at a cost of £4,000⁵ per vessel for purchase and installation of the VMS unit. Therefore, there is a one-off cost of £2,732,000 associated with this requirement. These have a 'shelf-life' of around 6 – 8 years. Government has funded the installation of VMS terminals on over 15 metre vessels but no decision has been taken yet on whether Government would pay to have these additional terminals installed. The annual communication costs are estimated to be £450⁶ per vessel, i.e. total annual communication costs of £307,350.

Fisheries Administrations

³ Numbers of vessels provided by MFA Statistical unit.

⁴ Vessel numbers provided by MFA statistical unit.

⁵ Costs based on annual communication charges to vessel owners for UK approved unit supplied by ATS Ltd.

⁶ Based on 2 hourly reporting for 312 number of fishing days at a cost of 12p per message.

There would be an additional cost for monitoring and investigating alarms. (There were 330 alarms for over 15 metre vessels requiring follow-up by UK Fisheries Administrations in 2008.) With 683 more vessels to monitor extra staff resources would be required to perform initial set up of vessels as well as day to day monitoring. This would most likely be an additional EO post per year (£31,504⁷).

Benefits

This would give Fisheries Departments an additional means of cross-checking logbook information on vessel position. Currently unless the vessel is sighted by fishery protection vessels there is no corroboration of claimed fishing locations and so this would provide a further enforcement tool. However, the level of additional enforcement benefit would be dependent on the length of time the vessel was at sea unless a more frequent reporting time frame was envisaged. A 2 hourly position report over a 4 hour fishing trip is unlikely to provide enough information to risk assess the trip in terms of inspection resources.

Article 10 - Automatic Identification Systems

This Article requires Member States' competent authorities to monitor data from Automatic Identification System units fitted on vessels over 15m and to cross check that information with other available data. The obligation for fishing vessels over 15m to have an AIS unit does not arise from this proposal; it will be a requirement of the amended Community vessel traffic monitoring rules which will come into force in 2012.

Sectors and groups affected

Fisheries Administrations. There are no additional costs or burdens upon vessel owners.

Costs

Fisheries Administrations

To enable automated cross-checks to other fishing activity data (logbooks, VMS) UK Authorities would need to develop a database or similar and make changes to current IT system to facilitate the cross-check. The one-off costs for purchase and building of such a database are estimated at £70,000⁸. It is unlikely that there will be any additional costs from staff training and cross-checks will be automated so will not require any additional monitoring.

Benefits

Information collected from the AIS terminals could be cross-checked to provide a further validation of fishing activity data giving enforcement benefits. It should be borne in mind that the system currently works using VHF radio technology and has a limited range of some 80km from shore which would not cover the whole of British Fishing Limits.. Fisheries Administrations are engaged in further work to identify the possible improvements in enforcement that may arise from this measure

Article 11 – Vessel Detection Systems

This Article requires Member States to use a vessel detection system which allows remotely sensed images to be mapped and compared with VMS position reports &/or AIS reports. The Commission may require Member States to use such systems for a specified fishery and at a given time.

UK Authorities and their Agencies already possess the technical capability to use VDS technology and to be able to cross-check position reports with remotely sensed images. The

⁷ Defra ready reckoner national rate pay

⁸ Estimate taken from contract with services provider for similar database set-up and delivery costs in August 2008. This includes system testing and roll-out.

difference between current practice and what is proposed is that existing requirements leave it for Member States to decide when and where it is cost effective to use such technology but there is no obligation to do so.

Sectors and groups affected

Fisheries Authorities or their agencies.

Costs

The current cost of using this technology is approximately £500⁹ per high resolution image. The image would need to be compared with VMS position report data to provide any value. The costs of doing this are unknown but will be explored during the consultation exercise.

Benefits

In certain circumstances the use of remotely sensed images can provide an effective tool in assessing the presence of vessels. However, in busy sea areas with non-fishing traffic or in adverse weather conditions the value of the use of such technology is reduced and may not present good value for money as the image is not clear enough to identify the target as a fishing vessel. The use of this technology in the UK is currently rare and was last used during the course of a pilot project to monitor a closed fishing area off to the Northwest of Scotland in 2003/04.

Article 14 Logbook

This Article requires the masters of all Community fishing vessels exceeding 10 metres length overall to keep a logbook. This replicates existing requirements except that:

- all quantities over 15 kg must be recorded (50kg at present) and
- the margin of tolerance is reduced to 5% (currently 8% for recovery stocks and 20% for all other stocks)

The new provisions also remove the requirement for vessels to submit effort reports when entering or exiting areas subject to a fishing effort regime

Sectors and groups affected

These provisions will apply to all vessels over 10 metres which are required to keep a logbook.

Costs

Fisheries Departments

The changes to the logbook rules highlighted above will not place any additional costs upon Fisheries Departments as they will not impose any additional monitoring requirement.

Stakeholders

The changes to the logbook rules highlighted above will not place any additional costs upon fishermen. The reduced threshold for recording quantities in the logbook would mean that some additional entries may have to be made compared to at present but all quantities regardless, must be included in the landing declaration which is completed at the end of the trip. However this is not expected to lead to any measurable increase in the overall time taken to complete logbooks. .

There are no changes in cost in terms of enforcement from removing the requirement to submit effort reports.

There are no direct additional costs from the reduced margin of tolerance but there is an increased risk to fishermen of being non-compliant.

⁹ The estimated costs of satellite imagery provided by Fugro NPA Ltd. Kent UK.

Benefits

Fisheries Administrations

Adopting this measure in full would reduce the scope for non-compliant behaviour. Environmental benefits from more accurate information being collected on fishing activity from if margin of tolerance is reduced.

Stakeholders

Removal of the requirement for the submission of effort reports will reduce costs to fishermen. Some 952¹⁰ effort reports were submitted to the UK Fisheries Call Centre in 2008 using various means including mobile phone, radio phone and satellite phone at a cost of between £5 & £10 per call depending on which communication means is used. A mid-point estimate of £7.5 was used to calculate the associated benefit, which was estimated to be £7,140.

There will also be a reduction in the admin burden associated with removal of the requirement to submit effort reports.. It is not possible to quantify this benefit at this stage due to lack of information but Fisheries Departments will carry out further work to identify the likely savings.

Article 15 Electronic recording and transmission of logbook data

This provision extends the requirement to use electronic logbooks from vessels over 15 metres to vessels over 10m, with possible exemptions for vessels which are at sea for less than 24 hours or which fish exclusively in territorial waters

Sectors and groups affected

Fishing vessels between 10 and 15 metres who are currently required to complete paper logbooks

Costs

Fisheries Departments

Fisheries Departments already have the necessary IT systems in place to enable them to receive and and analyse electronic logbook data. Those systems can cope with the extension of e-logbooks to 10-15 metre vessels.

Stakeholders

There are 683 10-15 metre vessels in the UK fleet. Costs associated with installing e logbook equipment on these vessels are as follows:

- capital costs: a maximum of £2,000¹¹ per vessel or £1,366,000 in total. This includes e-logbook software and allowance for purchase of a laptop for those vessels that do not already have one.
- ongoing transmission costs: estimated at £15¹² per month or £180 per annum per vessel, i.e. annual cost to industry of £122,940.

It is also estimated that familiarisation training for the Master of the vessel on using the equipment is thought to be no more than 1 hour and is based on information received from vessels involved in electronic logbook trails during 2005.

¹⁰ Information for 2008 supplied by the Scottish Fisheries Protection Agency.

¹¹ Estimated cost provided by software development company. who took part in the SHEEL (Secure Harmonised European Electronic Logbook) project.

¹² Estimates based on information received during SHEEL trial of e-logbooks and is based on 1 transmission per day with a monthly management fee including transmission costs as estimated by software developers during the trials.

No decision has yet been taken on whether these costs should fall to the vessel owner or be paid by Fisheries Departments.

Benefits

Implementing the proposal in full would deliver the following benefits:

Fisheries Administrations

Savings from implementation of these requirements and those in Article 21 in respect of landing declarations in time spent by Marine & Fisheries Agency staff will be estimated before the final assessment is prepared. This will allow this time to be freed up to perform other fisheries duties as the keying effort/burden reduces from automatic transmission of data by the master of the vessel. Implementing the proposal in full will ensure proper application of the Commission Regulation and thereby avoid the risk of infraction proceedings.

Stakeholders

Masters of vessels completing logbooks electronically would no longer be required to keep a paper logbook. During the PWC exercise undertaken in 2006 to cost administrative burdens from Regulations on stakeholders it was estimated that the cost of keeping a paper logbook was £3.99mn for the over 10m vessel (then 1478). This assumed that time taken for this AB was 2.5hrs per day. This implies that the average admin burden of keeping a paper logbook in 2006 was about £2,700 per vessel, i.e. about £2,927 per vessel in current prices. With 683 vessels in the 10-15 m category, the gross reduction in admin burden is therefore estimated to be nearly £2 m per annum.

In order to calculate the net admin burden reduction, the time taken to complete the logbook electronically must be taken into account. This is currently not known, however it is expected that there would be a substantial time saving when using the electronic version. Fisheries departments will add this information to the assessment as it becomes available. For the purposes of this impact assessment, a lower bound estimate based on work carried out during an EU pilot project (SHEEL – Secure Harmonised European Electronic Logbook) of the admin burden reduction is calculated by assuming that the time taken to complete the e-logbook would be at most 25% of the time required to complete the paper version. This yields a lower bound estimate of nearly £1.5 m per annum.

Article 16 Vessels Exempted from logbook requirements

This Article requires Member States to establish a sampling plan for monitoring the activity of vessels exempt from completing logbooks i.e. under 10m vessels. This replicates provisions in the existing Control Regulation and as such does not provide or require any additional costs or benefits.

Article 17 Prior notification & Article 20 Authorisation to land and to tranship

Article 17

This Article imposes a requirement on the masters of all Community fishing vessels or their representatives to give at least 4 hours prior notification to the competent authorities of their estimated time of return to port. Currently the Master of an over 10 metre Community fishing vessel who wishes to land into a port must comply with the Member States designated port scheme or provide 4 hours notice of arrival with quantities of species to be landed. Therefore, there are subtle differences between the two requirements in that there is no allowance for prior notification not to have to be given where a designated port scheme operates

Article 20

This Article introduces a new provision that no community fishing vessel may commence landing until an authorisation issued by the Coastal State Authority has been received. This cannot be given until all prior notification information has been checked for completeness and where appropriate, an inspection has taken place.

Sectors and groups affected

Fishing vessels or their representatives and the UK Fisheries Call Centre (UKFCC).

Costs

Fisheries Departments

UKFCC would need to be sufficiently manned to process and provide onward notice to coastal Member States when vessels are landing into their ports and to provide authority to land to the vessel owners. In 2008, the UKFCC received and processed 10,072¹³ numbers of prior notifications. Based on the total number of landings of UK vessels in 2008, the proposed measure would mean receiving and processing some further 285,000¹⁴ notifications.

Additional resources would be required to interpret the information received from both vessels and other Member State FMCs to assess the risk/benefit from carrying out an inspection or otherwise. The extent of those costs will be explored during the consultation process.

Stakeholders

The prior notification requirement would apply to all landings of all vessels. At present Community legislation only requires prior notification when vessels land in a different Member State or when vessels have more than specified amounts of recovery stocks on board. In addition, under national UK rules vessels over 15 metres with more than one tonne of TAC species on board must give prior notification if they intend to land at a non-designated port or at a designated port outside designated landing times. As a result some 10,072¹⁵ prior notifications are currently made by UK vessels every year. Extending the prior notification requirement to all vessels would result in an additional 285,000 notifications, at a cost to vessel owners of £34,200, at £0.12¹⁶ pence per transmission. The majority of these extra notifications (275,000 at a cost of £33,000) relate to increased notifications for landings by UK vessels.

Benefits

Fisheries Administrations

This measure would provide more timely information of quantities and species of fish being landed and would enable Authorities to prioritise resources to make the best use of them. Fisheries Departments will make a further assessment of the likely effect that this would have on compliance before the final assessment is prepared.

Articles 18 and 19 Transshipment

Under Article 18 all transshipments at sea will be prohibited in Community waters. They will be allowed in ports, subject to an authorisation and under the conditions laid down in the Regulation. Article 19 requires the masters, or their representatives, of both the transshipping and the receiving vessel to submit a transshipment declaration, if possible by electronic means, as soon as possible and not later than 24 hours after transshipment. This is in line with current

¹³ Information provided by the UKFCC on prior notifications in 2008.

¹⁴ Taken from MFA provisional statistics on vessels landings in 2008.

¹⁵ Based on notifications from UK vessels received by UKFCC in 2008.

¹⁶ Costs based on SAT –C communication charges

UK practice for the control of transhipments of the principle pelagic species within British Fishery Limits.

Sectors and groups affected

Fishing vessels that transfer catch to a carrier vessel in order to continue fishing for longer periods. No UK vessels were involved in this practice in 2008

Costs

Implementing these proposals in full would amount to a total ban on transhipment at sea in Community waters. To a great extent this would replicate current practice in the UK, where transhipment at sea within British Fishery Limits of pelagic species is prohibited and transhipment of whitefish rarely occurs. The requirements for completion of transhipment declarations mirror existing EU requirements and the possibility to submit the declaration electronically would not impose any additional costs as vessels required to do so will already have an e-logbook system in order to comply with Article 15. Their implementation would therefore neither add nor remove any cost to either Government or stakeholders.

Benefits

As stated above implementing these proposals would largely replicate current UK practice and would result in no additional benefits to the UK. More widely, transhipment is often seen as a way of laundering illegal fish and so prohibiting transhipment at sea will help in the fight against Illegal, Unregulated and Unreported Fishing (IUU)

Article 21 Landing Declaration & Article 22 Vessels exempted from landing declarations

Article 21 would extend the requirement to submit landing declarations electronically to vessels between 10 and 15 metres, with exemptions permitted for vessels at sea for less than 24 hours or operating exclusively within the territorial sea. It would reduce the delay for submission of landing declarations from 48 hours as at present to 2 hours for declarations submitted electronically and 24 hours for declarations submitted in paper form. Article 22 requires Member States to have a sampling plan for monitoring vessels below 10 metres in length not subject to the requirements to submit a landing declaration in accordance with methodology adopted by the Commission. This replicates existing provisions.

Sectors and groups affected

The reduced periods for submission of landing declarations will affect all vessels over 10 metres. The requirement to submit landing declarations electronically is new for vessels between 10 and 15 metres. Fisheries Departments must also develop a sampling plan to enable effective monitoring of exempted vessels.

Costs [see Article 15]

Fisheries Departments

Fisheries Departments already have the necessary IT systems in place to enable them to receive and analyse landing declaration data. Those systems can cope with the extension of electronic landing declarations received from 10-15 metre vessels.

Stakeholders

There are around 683 10-15metre vessels in the UK fleet. The equipment used to record and report electronic logbook information will also transmit landing declaration information if

requested. This should be a single transmission per landing at a cost of 12p per message. Therefore the cost will be £0.12 x 295,000¹⁷ landings = £35,400 per annum.

No decision has yet been taken on whether these costs should fall to the vessel owner or be paid by Fisheries Departments.

There is a concern as to whether it is feasible to expect the Landing Declaration to be submitted within 2 hours of the completion of landing.

Benefits

Fisheries Departments

Implementing the proposal in full would lead to the receipt of more timely landing data. Receiving those data electronically for 10-15 metre vessels will lead to reductions in staff time which are identified at Article 15.

.Stakeholders

Extending the electronic submission of the landing declaration to 10-15metre vessels will provide similar reductions in administrative burdens to those identified for logbooks in Article 15.

Articles 23 -25 Recording and exchange of data by Member States

These Articles replicate existing provisions on the exchange of data between Member States and between Member States and the Commission. As such they introduce no new costs or benefits.

Article 26 – Closure of fisheries by Member States

This Article replicates existing provisions concerning Member States' obligations to close fisheries once quotas or effort levels set have been exhausted. It therefore introduces no new costs or benefits

Article 27and 28- Closure of fisheries by the Commission and corrective measures

Article 27 contains a new provision that where a Member State fails to fulfil its obligations under Article 23 to notify catch uptake data to the Commission, may estimate when that Member State has exhausted its quota allocation and close the fishery to that State's vessels. Article 28 provides a compensatory mechanism if it subsequently transpires that the Member State had not in fact exhausted its quota. To the extent that we would not expect such a situation to arise in relation to UK fisheries, we do not anticipate that this would have any impact on UK fishermen or Government

Article 29 – Fishing Capacity

This Article requires Member States to take the necessary steps to ensure that the capacity of Community fishing vessels corresponds with the details in the fishing licences issued to them by their competent authorities.

Sectors and Groups affected

All UK fishing vessels fishing in Community waters will be affected by this measure. In addition Fisheries Departments or their Agencies will be required to carry out checking and take enforcement action where capacity is found to be higher than that declared.

¹⁷ Information taken from Marine and Fisheries Agency statistics for 2007 (lastest complete information available).

Costs

Implement the proposal in full. This option cannot readily be quantified as yet because the Commission is yet to provide Member States with detailed rules for the adoption of the proposed measure. Those detailed rules are likely to require the monitoring of the capacity of the entire UK fleet over time.

Benefits

Ensuring that the capacity of the UK fishing fleet is properly accounted for will help to ensure that fishing effort can be better managed and aid sustainability of fishing activity.

Articles 30, 31 and 32 – Monitoring and Certification of Engine Power by Member States

These Articles require Member States to ensure that Community fishing vessels' engine power matches what is stated on the engine certificate. This includes making sure that the engine power does not exceed the required capacity and has not been tampered with in anyway. Provisions are also made for Member States' competent authorities to approve replacement or new engine or engines that have been modified in any way. These certificates should only be issued in circumstances where the engine is not capable of producing more than the stated power.

Sectors and Groups affected

All UK fishing vessels and Fisheries Administrations or their Agencies

Costs

Fisheries Departments

Implementing the proposal in full would require Fisheries Administrations to appoint engineers to carry out the testing and undertake training of inspectors to be able to do the work. In addition Fisheries Administrations would need to acquire the testing equipment either by buying or in a form of lease arrangement. Initial cost of setting this system up, are estimated to be around £14,000¹⁸ including hardware, some training and software costs. The cost of the test per vessel is also estimated to be around £1500¹⁹. Clarification is needed from the Commission on the frequency and initial programme of testing. However it is likely that just one test will be carried out on the majority of UK vessels unless there are indications that the declared engine power is too low for speeds attained by the vessel.

Datum Marine Services Ltd (Netherlands) has estimated that the tests could take approximately 4 hours depending on access to the engine room to fit the testing equipment. It would require the vessel to go to sea for a short period of time so that the engine is tested under load. There would be additional costs arising from the need to have the engineer accompanied by a BSFO to carry out these tests. (6hrs at HEO at a cost of £143.22²⁰)

Impact on cost to fishermen:

Enforcement officers would aim to carry out these tests at a time when the vessel would otherwise be tied up in port and therefore not impose any additional costs through lost fishing time on industry.

Article 33 – Transhipments in port

¹⁸ Estimate based on information from Datum Marine Services Ltd (Netherlands) who are currently undertaking a pilot project on behalf of the Marine and Fisheries Agency to look at measurement of engine power.

¹⁹ Source Datum Marine Services Ltd. (Netherlands).

²⁰ Hourly rate of £23.87 for national rate HEO according to Defra ready reckoner.

The Community fishing vessels engaged in fisheries subject to multi-annual plans should ensure that they land their catches at a designated port and have them weighed by the competent body before the stocks are transported.

Estimation of Cost and Benefit

Implement the proposal in full. This arrangement will be similar to the current practice where masters of vessels intending to tranship or discharge at sea any quantity of some species under recovery plans are required to give at least 24 hours prior notification of transshipment or landing. Such notifications usually contain the information below and could be made by fax, telephone radio or email.

- (a) the name of the person making the notification;
- (b) the name of the vessel;
- (c) the registered port letter and number of the vessel;
- (d) the port or location at which the landing is to take place;
- (e) the intended date and estimated time of arrival at port (UTC);
- (f) the quantity of all species

Impact on cost to Government and Fishermen

This option would not add any administrative burden on fishermen or the Government because there are already mechanisms in place (UK Fisheries Call Centre) that are currently being used to capture this information.

Article 34 – Designated Ports for stocks subject to multiannual plans

This Article provides that the Commission may set a threshold for species under multi-annual plans above which a vessel shall be required to land into a designated port.

Sectors affected

All UK fishermen

Costs

Stakeholders

Implementing the proposal in full could require some vessels to land fish at a port other than their port of choice, if they catch more than the threshold amount. Similar provisions are already in place for existing multiannual plans so any additional costs would be confined to new plans that are adopted after the new Control Regulation comes into force. The likely costs cannot be estimated at this stage as we do not know what additional plans may be adopted.

Government

This option would not add or reduce any costs to government as there is unlikely to be any change in the present designated port arrangements, as we believe the current UK designated port scheme would meet the set criteria

Benefits to Government and Fishermen

This would enable closer monitoring of vessels catching significant quantities of stocks subject to multiannual plans and thereby contribute towards the success of the plans.

Article 35 – Separate Stowage of Recovery Species

This Article requires Community fishing vessels not to mix species subject to multi-annual plans with any other type of fish. The boxes in which these species are kept must be properly marked with labels indicating the FAO code and kept separately from other fish.

Current provisions in the various recovery stock regulations already require the separate stowage but do not require individual boxes to be labelled. However the requirement to provide a label with the FAO code and for such boxes to be kept separate from other boxes is additional.

Sectors affected

Fishing industry, Fisheries Departments

Costs

Stakeholders

Implement the proposal in full. To a large extent, this option replicates current practice but there could be additional costs to fishermen from the requirement to provide specific labels for individual boxes. These will be quantified as part of the consultation exercise.

Fisheries Departments

There are no additional costs to Government from this provision.

Benefits

This option would assist Fisheries Administrations with monitoring compliance with multi-annual plans and therefore assist recovery of stocks.

Article 36 – National Control Action Programmes

This Article requires Member States to define a specific national control and inspection programme applicable to each species subject to multi-annual plans. This programme must include benchmarks set down in the Annex I to the Control Regulation. This replicates current practice under stock recovery programmes.

Sectors affected

Fisheries Departments

Costs and benefits

This option replicates current practice and so would not add or remove any costs or benefits to Fisheries Departments.

Article 37 – Fishing Gear

This Article requires any fishing gear used in any type of fishery to comply with the technical specification laid down in the rules applicable to it in the Common Fisheries Policy. Where two or more types of gear are used in a fishery, the unused gear must be stowed away.

Sectors affected

Fishermen, Fisheries Departments

Costs

This option would replicates current practice for those technical conservation measures already in place and does not add or remove any costs to the Government or fishermen.

Benefits

This option replicates current practice and does not add or remove any benefits.

Article 38 – Catch Composition

The Article specifies that where Community fishing vessels use nets of different minimum mesh sizes during a fishing expedition, the quantities caught using each of the nets by species must be recorded in the logbook and landing declarations. This replicates current requirements on catch composition.

Costs and benefits

Implementing the proposal in full would replicate existing arrangements and would not add or remove any costs or benefits.

Articles 39 & 40: Vessel Monitoring Systems (VMS) in Marine Protected Areas and transit through MPAs

Article 39

This Article requires Fisheries Monitoring Centres (FMCs) to monitor vessels entering or exiting from an MPA in their waters. It also requires FMCs to have an alarm system for vessels entering MPAs within their waters. It then requires the FMC to trigger an alarm on the vessels to ensure they are aware.

The EU VMS system uses a system where contact and responsibility for a Member States vessel lies with the Flag Member State and information from VMS is 'pushed' to the Coastal State FMC when the vessel is in their waters. To enable 'alarms to be set up MPAs would have to be 'mapped' and geo-fenced to provide the automated early alarm and to send a signal to their vessels as an alarm. The tamper-resistant system used for VMS in the UK does not currently have such an alarm system built into it.

Article 40

Vessels transiting an MPA would be subject to the following conditions:

- all gear carried on board must be lashed and stowed
- the vessel must not travel at less than 6 knots.
- a 'transit' report must be submitted indicating date and time of entry/exit from the MPA.

Sectors and groups affected

All fishing vessels travelling through a MPA and Fisheries Administrations or their agencies monitoring their activity.

Costs

Fisheries Administrations

The overall costs to UK Fisheries Administrations of monitoring compliance with this provision cannot be quantified at present as this will depend upon the size and number of MPAs created. However there will be initial capital costs for the amendment of existing IT systems to track movement of vessels in or close to MPAs and to install alarms. These costs will be assessed and included in the final impact assessment.

Stakeholders

Under 10 metre vessels:

- the costs of installation of a VMS terminal. The number of vessels likely to have to do this will depend upon the number and size of MPAs created. Costs per vessel are estimated at c.£4,000²¹. Annual transmission costs will vary depending on the amount of time

²¹ Current cost of an AST Ltd., UK approved terminal and communication costs using SAT-C communications for transmissions.

spent in an MPA or in the safety zone. Hourly costs for transmissions in the safety zone are estimated to be 48p per hour based on 12p per message every 15 minutes and £1.44 per hour when in the MPA., assuming one transmission every 5 minutes

Over 10 metre vessels: those operating in or close to a MPA would have the following costs in addition to those arising from Article 9:

- increased transmission costs arising from increased frequency of transmission, estimated at 42p per hour in the safety zone and £1.38 per hour when in the MPA.
- for 10 to 15 metre vessels which do not currently have a terminal there are extra costs to take account of technical requirements of this Article, including installation of alarm system, at present unknown
- for those over 15 metre boats with existing terminals, the cost of making technical adjustments to the terminal to make it compliant with this Article, as yet unknown

All vessels

- the cost of transmission of transit reports on entry to and exit from an MPA at 12p per message, to be quantified when details of this Article become clearer
- possible additional costs of maintaining a speed of 6 knots when transiting an MPA. These will vary depending on the characteristics of the vessel

Benefits

Implementing the proposal in full would lead to more effective monitoring of Marine Protected Areas and consequent improvements in their environmental status. Further work will be carried out to quantify these benefits for the final assessment.

Articles 41 and 42: Registration of discards and Logbook Checks

Article 41 requires all discards above 15kg of live weight equivalent to be recorded in the logbook and submitted to Fisheries Administrations without delay. UK Fisheries Administrations must establish a scheme to monitor their fishing vessels under a 'scheme of progressive discards'.

At present recording of discards in the logbook is voluntary. Information on discarding is usually only provided as part of scientific studies and would not form part of the information submitted to Fisheries Administrations in the context of control. Discarding of unwanted or undersized fish is currently undertaken during the sorting of catch on board the vessel. The intention of the provision will need to be explored further during negotiations with the Commission.

Article 42 requires Member States to carry out cross checks of information on discards in the logbook with VMS data and to keep records of the cross-checks for a period of three years. This replicates current practice. As such there are no additional costs or benefits from this Article.

Sectors and groups affected

All fishing vessels that keep logbooks and UK Fisheries Administrations will need to make adjustments to databases to record discards.

Costs

Fishermen

Implementing the proposals in full would require the masters of all over 10 metre vessels to record in their logbooks details of all quantities of fish over 15kg that have been discarded (although it doesn't say so it is assumed for now that this requirement does not fall on under 10 metre vessels which do not have to complete a logbook). This could double the amount of

information to be recorded in the logbook, on the assumption that vessels will discard some quantities of all fish stocks retained on board. Before the final impact assessment is prepared the likely costs of this will be calculated..

Fisheries Departments

There would be additional costs for the amendment of existing IT systems to allow Fisheries Departments to monitor and record the amount of fish being discarded. The costs for this are unknown and would be established through additional work request procedure (AWR) from existing contractors. Establishment of a monitoring scheme could be done using existing IT system reports. Enforcement will be undertaken as part of normal enforcement duties.

Benefits

Implementing the proposal in full would enable scientists to get a much better picture of the level of discards, which would help them to evaluate the success of measures being adopted elsewhere to reduce the level of discards.

Articles 43 – 46: Real Time Closure of Fisheries

This section provides the rules for implementing ‘real time closures’ of fishing areas due to the detection of immature fish in accordance with technical conservation rules. These rely on corroborated detection of by-catch levels of juvenile fish by fishery protection vessels. There are also rules for real time closures by the Commission where information received by them demonstrates that a temporary closure is needed and the Member State has not taken appropriate action to close a fishery. Article 46 provides a mechanism for early re-opening of a closed area following trial fishing operations with observers on board.

The UK currently operates a similar scheme using national measures to assist with the recovery of cod stocks within British fishery limits. The scheme here would apply to other stocks and not just cod and would be less restrictive than the UK scheme. The UK scheme also sets a maximum area for the closure whereas the Commission proposal does not defined the area of such areas

Sectors and groups affected

Fisheries Administrations and Fishermen

Costs

It is not possible to assess the costs associated with these Articles as the extent and number of closures is not known. There could be an environmental cost from implementing this Article as the shorter time limit would not necessarily provide sufficient time for the juvenile stocks to move away and hence not achieve the aims of the scheme in terms of stock management.

Benefits

The increased numbers of stocks to which this could apply, could have positive environmental benefits from more closures.

Fisheries Administrations

Stakeholders

Article 47: Recreational fisheries

This Article requires all vessels engaged in recreational fisheries involving stocks subject to a multiannual plan to be authorised and their catches to be recorded against quotas. It includes a prohibition on marketing of recreational catches except for charity. The scope and coverage of this Article has been subject to much speculation. As a result the Commission has issued a statement that it is not intended to apply to a *“hobby angler who catches a few kilos of fish every time he goes out fishing and uses it for his private consumption.”* Our assessment of the impact of this Article is based on this statement.

There are no current UK requirements for licenses or permits for recreational fishing at sea. There are also no restrictions on how much fish may be caught nor any requirement to record fish caught. The new provision in relation to a prohibition on sale of fish caught by recreational fishing replicates current UK practice, but does provide clarity for those involved.

Sectors and groups affected

Recreational fishers

Commercial fishers

Tourism

Implementing the proposal in full in accordance with the Commission statement would not impose any additional costs on recreational fishermen because under UK law any fishing vessel whose catch is sold including recreational vessels, must have a fishing licence and the master must complete a logbook so that the catches can be counted against quota. For the same reason it would not bring any additional benefits.

Articles 48 – 51: Marketing

Article 48 to 51 look at the monitoring of marketing and place obligations on Member States to have full traceability and common marketing standards for fish products. They contain no changes to current requirements. There are therefore no additional costs or benefits.

Article 52: First sale at auction centres

This Article requires all fish subject to catch limit or effort regime to be sold and/or registered at an auction centre to registered buyers. There is currently a provision for the authorisation of persons responsible for the marketing of first sale fish at auction or those buying fish direct from a fishing vessel to be authorised by Member States.

Sectors and groups affected

Fishermen who currently sell their catch direct to buyers.

Costs

Fisheries Departments

At present only those purchasing fish directly from a fishing vessels have to be registered as a buyer. There would be minor costs associated with the additional registration of buyers at auction. There would also be costs associated with the monitoring and enforcement of the requirement for sales of fish to be registered at auctions. These costs will be quantified in the final assessment.

Stakeholders

Requiring all TAC stocks and stocks subject to an effort regime (e.g. crabs) to be sold at, or registered by, an auction centre to registered buyers would have significant implications for stakeholders. At present a significant volume of fish is sold by direct sale and is neither sold at nor registered by an auction centre. It is not clear at this stage whether adoption of this proposal would lead to actual changes in sale patterns and if so what the costs associated with that might be. Requiring direct sale fish to be registered at auction would impose additional but as yet

unquantified costs on both the buyers who would have to notify the auction centres and upon those running auction centres

Benefits

It is not clear at this stage what additional benefits might be achieved through adoption of this proposal as anyone who purchases fish direct from a fishing vessel must already be a registered buyer and must submit sales notes for that fish unless it is for private consumption.

Article 53: Weighing of fish

This Article requires all buyers purchasing fish products to ensure that fish is weighed before it is sold, transported, stored or further processed. There is an exemption provided for fish transported less than 20 kilometres. Currently, weighing of fish at auction is done by the auction trader (or seller) prior to sale and there are no requirements on those buying the fish to re-check weight.

Sectors and groups affected

Fish buyers, transporters

Costs

Fisheries Departments

At this stage it is not anticipated that this would impose any significant additional costs as the requirement to weigh the fish lies with industry. Where this is done in the presence of controllers e.g. fishery inspectors, that would be part of routine fisheries inspection work.

Stakeholders

The requirement for fish to be weighed before transport could have significant cost implications in those situations where at present fish sold to processors is weighed by the buyer and where that buyer is more than 20 kilometres away from the port of landing. In some instances there would be costs associated with the purchase of scales.

Benefits

Implementing the proposal would contribute towards the more accurate completion of landing declarations and thereby towards more accurate monitoring and recording of catches. An analysis of the potential benefits from such improvements will be carried out before the final impact assessment is prepared.

Article 54 – 56: Sales notes

These Articles cover the completion and submission of sales notes. They require sale notes to be submitted electronically within 2 hours of the sale of the fish. They also set out the specific information contained in the sales note and allow an exemption for sale of fish in quantities of less than 15kg for private consumption.

Sectors and groups affected

Registered buyers and sellers of first sale fish.

Costs

Fisheries Departments

There are no anticipated additional costs to Fisheries Departments. The communication hub under installation to implement electronic recording and reporting of fishing activity in the UK will be capable of handling all sales notes received for landings by UK vessels.

Stakeholders

There are currently some 1374²² buyers and sellers of first sale fish registered in the UK. Of those, it is estimated that c. 200-300²³ already use the electronic system for reporting and submitting sales note information. Therefore a further 1100-1200 will be impacted by this requirement.

There is likely to be a cost of training and familiarisation for businesses with the new system which we following discussions with firms on the implementation of the current e-sales note system, have assumed will take firms approximately 1hour each. Using the Standard Cost Model we can calculate the cost of training and familiarisation with the new system:

Training and Familiarisation Cost = Number of business affected x time taken x hourly wage rate

Therefore, = £12,974

Where:

Number of businesses affected = 1074

Time taken = 1 hour

Hourly Wage = £9.29²⁴ x 1.3²⁵ = £12.08

Requiring sales notes to be completed and submitted electronically within 2 hours of sale (48 hours is allowed at present) may not always be practical and while this may not impose any direct additional cost it may cause considerable disruption to normal business practice.

Benefits

In 2008 almost 300,000²⁶ sales notes were submitted to the UK Fisheries Administrations. 69,000 of those were submitted by companies already required to submit sales note information electronically under current requirements. The remaining 230,000 sales notes will have to be submitted electronically in future as a result of this Article. Assuming approximately this number in future years we can estimate the likely time costs of submitting a sales note electronically. To understand the additional time saving to industry from carrying this out electronically we need to compare it to the estimated cost of submitting sales notes in paper form, This information is currently not available but will be assessed before the final assessment is prepared. For the purposes of this impact assessment, a lower bound for the net admin burden reduction has been calculated by assuming that the time taken to complete an e-sales note would be at most 25%²⁷ of the time taken to complete the paper version. For the upper bound estimate, it is assumed that the time taken to complete the e-sales note is negligible.

We have assumed that the time taken to complete a paper sales note is on average 15 minutes per sales note. Using the Standard Cost Model we can calculate the cost of completing this task:

Administrative Cost = Number of sales notes submitted x time taken to submit x hourly wage rate

²² taken from UK fish register for England, Scotland, Ireland and Wales.

²³ This is the number that are either above the threshold set down in Council Regulation 1077/2008 or have indicated that they wish to use the electronic system on a voluntary basis.

²⁴ Taken from the Annual Survey of Hours and Earnings 2008 by the Office for National Statistics: Gross Hourly Pay for Service Activities Incidental to Fishing

²⁵ To include 30% overheads

²⁶ Supplied by MFA for number of sales notes received in the UK by Fisheries Administrations in 2008

²⁷ Estimate based on experiences of vessels involved in the EU SHEEL (secure harmonised European electronic logbook) trial undertaken by the EU in 2005.

Therefore, Administrative Cost = £694,600

Where:

Number of sales notes submitted = 230,000

Time taken to submit = 0.25 hours

Hourly Wage = £9.29²⁸ x 1.3²⁹ = £12.08

The net admin burden reduction is therefore estimated to be in the range £521k to £695k per annum.

In addition there may be paper, printing and postage costs associated with submitting notes in paper form that will be saved using the electronic system.

It is also assumed when looking at the cost benefit that all businesses have existing IT equipment and internet connections as part of normal business practice but in a small number of cases, there may be additional one-off costs for purchase of suitable equipment etc to allow the business to comply with the requirement to record and submit sales notes for all purchases of first sale fish.

Article 57: Take-over declaration

This Article replicates current controls on take-over declarations and therefore maintains the status quo i.e. would not add or remove any cost or benefit.

Article 58: Transport documents

This Article replicates current controls on transport declarations and therefore maintains the status quo i.e. would not add or remove any cost or benefit.

Articles 59 & 60 Producer organisations and Price and intervention arrangements

This Article replicates current measures on producer organisations and intervention arrangements and therefore maintains the status quo i.e. would not add or remove any cost or benefit.

Articles 61 and 62: Sightings at sea and detection by Member States

These Articles replicate existing obligations on Member States in respect of surveillance and action to be taken on sightings. It therefore maintains the status quo i.e. it would not add nor remove any cost or benefit.

Article 63 – Observers

This Article provides rules for the qualifications and use of observers on board any Community fishing vessel but does not require the use of observers. Therefore there are no costs or benefits associated with this provision.

²⁸ Taken from the Annual Survey of Hours and Earnings 2008 by the Office for National Statistics: Gross Hourly Pay for Service Activities Incidental to Fishing

²⁹ To include 30% overheads

Article 64 – Admissibility of surveillance reports

This Article replicates current provisions on the admissibility of surveillance reports throughout the Community. It therefore neither adds nor removes any costs or benefits.

Article 65 - 67: Inspections

These articles replicate provisions in the existing Control Regulation relating to the conduct of inspections, duties of the operator and completion of inspection reports. As such they neither add nor remove any costs or benefits.

Article 68 – Admissibility of inspection reports

This Article replicates provisions in the current Control Regulation about the admissibility of inspection reports. It therefore neither adds nor removes any costs or benefits.

Article 69 – Electronic data

This Article requires Member States to set up and keep an up to date database of all inspection and surveillance reports. UK Authorities already have such a database and therefore there are no additional costs or benefits arising from this Article.

Article 70 – Community inspectors

This Article replicates existing EU provisions in Regulation 1042/2006 on the establishment of a list of Community inspectors. Community inspectors are officials of a Member State, the Commission or the Agency. It therefore neither adds nor removes any costs or benefits.

Article 71 and 72: Inspections of vessels outside the waters of the inspecting Member State

These Articles replicate existing provisions in Regulation 1042/2006 relating to the inspection of vessels at sea outside the waters of the inspecting Member State. As such, it does not add or remove any costs or benefits.

Article 73 – Inspections outside the territory of the inspecting Member State

This Article provides for Member States to carry out inspections on the territory of another Member State. This is a new provision designed to clarify inspectors' powers. It does not in itself add or remove any costs or benefits

Article 74 – Procedure in the event of an infringement

Where an official believes that an infringement against the rules of the CFP has been committed, they must follow the procedures listed in this Article. This is intended to provide a basis for Member States to provide a framework which will allow follow-up of infringements by Member States.

Article 75 – Infringements detected outside the waters of the inspecting Member State

This replicates current practice requiring infringements reported outside the waters of the inspecting member States to be reported to the coastal Member State. It therefore neither adds nor reduces costs or benefits.

Article 76 – Enhanced follow-up with regard to certain serious infringements

This Article requires that a vessel must be detained to port where, during routine inspections in the waters of coastal or flag Member States, a vessel:

- a) is suspected to have misreported catches by more than 500kg or 10% of the logbook figure (whichever one is higher) or
- b) has committed a serious infringement within a year of a previous infringement.

The master of the vessel should stop all fishing activities immediately and proceed to port.

Currently a British Sea Fisheries Officer may decide to take enforcement action based on inspection finding for any offence including mis-recording of catches or serious infringements but would undertake a risk based assessment on whether or not the vessel should be detained into port for further investigation rather than automatically detain the vessel into port. In 2008 11 vessels were detained into port for further investigation.

Costs

Stakeholders

This option adds no costs as such but there would be a loss of fishing time to fishermen if a mis-recording of catch or 2nd offence serious infringement were suspected triggering the automatic detention into port. The cost of this lost time will vary depending upon the type of vessel but we would expect fishermen to alter their behaviour to minimise the risk of being detained to port.

Fisheries Departments

There would also be a cost to Government in that resources would be diverted from other enforcement duties in Fisheries Protection vessels having to accompany the fishing vessel into a port for further investigation. Daily cost of patrol vessel is £8425³⁰ though again we would expect fishermen to alter behaviour to avoid these penalties.

Benefits

This would provide a more structured approach to Authorities on detention into port and would remove the need to assess the intention of the fishing vessel. It would also serve as a disincentive to mis-report catches due to the severity of the impact of detention into port from lost fishing time. A further analysis of the potential benefits arising from this will be included in the final assessment.

Articles 77 – 79: Prosecutions

These Articles place obligations on Member States to take appropriate action against those responsible for infringements and contain a legal basis for inspecting Member States to transfer prosecutions of infringements to the Flag State to enable appropriate action to be taken. Article 79 also places an obligation on Member States to follow up and prosecute infringements discovered in their territory or waters under their sovereignty or on vessels flying their flag, by Community Inspectors. These provisions all replicate provision in existing legislation and so do not add or remove any costs or benefits.

Article 80 Corrective measures in the absence of prosecution by the Member States of landing or transshipment

³⁰ actual daily costs of Royal Navy fishery protection vessel October – December 2008.

This Article allows quantities of illegally landed fish to be set against the quota allocated to the Member State of landing or transshipment, where that Member State had not taken appropriate action in the event of an infringement. It is not clear what is envisaged by the Commission and further clarification will be requested in the course of negotiations.

Article 81: Measures to ensure compliance,

This Article requires Member States to ensure that suitable administrative and/or criminal proceedings are in place and that penalties levied have a sufficiently deterrent effect. It largely replicates existing provisions in EU legislation and does not of itself add or remove any costs or benefits.

Article 82: Sanctions for serious infringements

These measures replicate the current situation in the UK and as such do not add or reduce costs or burdens.

Article 83: Immediate enforcement measures

Where enforcement authorities come across a vessel or person in the act of committing a serious infringement, this Article requires Member States to take immediate action to stop the infringement being committed. This replicates current practice in the UK and as such does not add or remove any costs or benefits.

Article 84 – Penalty point system

This Article introduces a system of penalty points to be applied to licences in the event of infringements. When a given level of points has been reached for the first time the licence is to be suspended for at least six months; for the second time for 12 months; and the third time permanently withdrawn. The points for a serious infringement are to be at least half the total points triggering suspension. The level of points is to be set by detailed rules.

This would be a completely new way of dealing with fisheries offences; there are no similar provisions in existing EU legislation

Sector and groups affected

Fishermen, Fisheries Departments

Costs

Fisheries Departments

Fisheries Departments already maintain a database of all infringements. Implementing the provision in full might require some modification of this and the modification of the licence database to record points added to licences or may require a totally new database to be established. The costs of modification to current systems are not expected to be significant but further details will be explored from other Government Departments (e.g. DVLA) who operate a similar system during the consultation process.

Stakeholders

Suspending a fishing licence for 6 months or more would seriously affect the economic viability of any fishing vessel. In the case of vessels in the sector, this could be mitigated by renting or leasing any unused quota. Individual crew members would suffer loss of income for the

duration of any suspension. Permanent withdrawal of the licence would result in loss to the licence holder of the value of that licence and would in all probability reduce the residual value of the vessel itself. Costs will vary on a case by case basis e.g. seasonality of fishing of the vessel; length of trips undertaken and the duration of the suspension.

Benefits

Because the consequences of licence suspension or withdrawal are so severe, this proposal would act as a significant incentive to fishermen not to re-offend and therefore contribute positively to the overall level of compliance. An assessment of the potential for this measure to improve compliance levels will be carried out for the final assessment.

Article 85 – National registers of infringements

This Article requires Member States to maintain a register of infringements against CFP rules by vessels flying their flag or by their national, along with a record of the penalties and sanctions applied. This would include prosecution actions taken by other Member States where alleged infringements are prosecuted.

The UK already holds information on all prosecutions taken by the UK against both UK and Foreign vessels. These records include the details required here except in the case of prosecutions taken by other Member States.

Sector and groups affected

Government.

Costs

Costs to adapt current database systems to enable records of prosecutions and sanctions applied by other Member States may be incurred. These costs are not thought to be significant as such changes are made during the normal operation and evolution of databases.

Benefits

Maintenance of this extended database will be essential to ensure the effective operation of the penalty points system set out in Article 84 and so will contribute towards improving the overall level of compliance with the rules of the CFP.

Articles 86 & 87: Control Programmes

These Articles provide for the adoption of control programmes, either by Member States on their own initiative (Article 86) or by the Commission (Article 87). Article 87 Replicates the current arrangements for the adoption of joint deployment plans (JDPs) and do not provide or remove any costs or benefits.

Article 88 Responsibilities of the Commission

Article 89 Programmed verifications

Article 90 Autonomous verifications

Article 91 Autonomous inspections

Article 92 Audit

Article 93 Inspection and audit reports

Article 94 Follow-up inspection and audit reports

These Articles set out the responsibilities and powers of the Commission to check on Member States' observance of their control obligations and set out the means of checking those controls

available to the Commission. They replicate current practice and do not add or remove any costs or benefits.

Article 95 Suspension and cancellation of Community financial assistance

This Article provides the legal basis for the Commission to suspend community financial aid for a maximum of 18 months where there is evidence that the Controls in this Regulation are not being complied with and where such lack of action may lead to a serious threat to the conservation of living aquatic resources or the effective operation of the control system. In 2008, the UK was awarded £614K by the EU towards the cost of enforcement of CFP measures. A further £123 million of EU funds is available under the European Fisheries Fund (EFF) between 2007 to 2013 financial assistance under Community plans for fisheries. This would follow examination of Member States' explanations for their lack of action and no evidence is provided to take remedial action on compliance.

Due to the process followed by UK Fisheries Administrations in responding to implementation of EU controls and deficiencies identified during the Commission control missions, there are no costs or benefits arising from this Article.

Article 96 Closure of fisheries for failure to comply with the objectives of the Common Fisheries Policy

This Article provides the Commission with the power to close a fishery to a Member State's vessels where it believes that the Member State has failed to respect its obligations under a multiannual plan and where that failure is particularly detrimental to the stock concerned. To the extent that we do not expect the UK ever to be affected by these provisions, this proposal will have no costs or benefits for UK fishermen or Fisheries Administrations.

Article 97 – Deduction of Quotas

This Article largely replicates the existing arrangements for the deduction of quota in the following year from Member States that overfish any quota. However the multiplying factors to be applied have been increased as follows and their scope of applicability has been expanded – previously their application was limited to fish stocks where the TAC was set on an analytical basis following detailed scientific assessment of the stocks, and thus penalty measures did not apply to any overfishing of those stocks where a precautionary TAC was set based on available (but not complete) scientific evidence of a potential problem with level of exploitation of the stock concerned. For these stocks the default position was one of limiting the penalty imposed to the actual quantity of the overfish involved:

Extent of overfish	New multiplying factor	Existing multiplying factor
<5%	1.0	1.0
5% - 10%	1.1	1.0
10%-20%	1.2	1.1
20%-40%	1.4	1.2
40%-50%	1.8	1.4
>50%	2.0	1.4

In the event of particularly serious overfishing, repeated overfishing or overfishing of a stock subject to a multiannual plan the multiplying factor may be doubled.

Costs

The potential cost of this measure is not easy to quantify – the UK manages fisheries with a clear intent to avoid any overfishing, through a combination of in-year management measures and also negotiating international quota swaps. The management measures in the UK also ensure that a “polluter pays” principle applies in that any penalty applied to the UK is carried through to be applied to those vessels responsible for the overfish. The overall costs to the UK are thus primarily related to any penalty that might be imposed on the UK as a result of any infractions procedures taken out against the UK by the Commission as a result of the overfishing. As the UK is usually successful in its management measures, such penalties are not expected.

Benefits

The potential benefit to the UK is that these provisions will encourage other Member States fishing the same stocks as the UK not to overfish those stocks and thereby a) help the stocks to be sustainably exploited or to recover if subject to recovery measures and b) reduce the likelihood of the UK being stopped fishing for a stock because of an overfish by another Member State. In practice the UK has not been stopped from fishing due to overfishing by another Member States in the past. The effects of the new controls cannot be anticipated as the additional measures could mean that there are no overfishes by other Member States.

Article 98 Deduction of quotas for failure to comply with the objectives of the Common Fisheries Policy

This Article provides a mechanism for the Commission to deduct quota from Member States where it has evidence that the Member State is not complying with the rules on conservation, control, inspection or enforcement under the CFP and the Member State fails to respond adequately to an enquiry from the Commission. We would not expect the UK ever to be subject to such proceedings and so this would not be expected to have any cost implications. .

Articles 99 and 100 – Refusal of quota transfers and exchanges

Article 99 permits the Commission to refuse to allow a quota transfer where the member State requesting the transfer:

- has overfished the quota in question in either of the previous 2 years, or
- if the stock is subject to a multiannual plan, has overfished the stock in any of the previous 5 years, or
- does not have proper management measures in place, including computerised validation systems.

In addition, Article 100 allows the Commission to refuse quota exchanges where

- one of the Member States involved in the exchange has overfished the relevant quota by more than 10% in the preceding 2 years, or
- the Member State concerned does not have proper management measures in place, including computerised validation systems

UK Fisheries Administrations manage fisheries in such a way as to ensure that uptake does not exceed UK quota. Where there are inadvertent overfishes, we would attempt to remedy these through swaps with other Member States. We would not therefore expect to be caught by the provisions of these Articles but that could not be guaranteed.

The cost of this provision would depend on the stocks involved and the extent of any quota transfers being sought.

Article 101 Emergency Measures

Where there is a threat to the marine eco-system or the CFP from fishing activity or measures adopted by Member States, this Article permits the Commission, after thorough analysis, to put in place emergency measures for 1 year. This may be extended for a further 6 months. These provisions replicate existing provisions in Article 7 of the CFP Regulation (2371/2002) except that the initial period is currently 6 months,

Sector and groups affected

Government and fishermen

Costs

This option replicates current practice in most respects except the total period of the measures could now be 18 months rather than 12. This could have cost implications for fishermen but this would depend on the nature of the measures adopted.

Benefits

This option presents a risk that thorough analysis of the risks and benefits arising from the emergency measures may be delayed and unnecessary or insufficient controls may be applied during the emergency measures that could have cost to fishermen from restrictions on fishing and Government or its Agencies from additional resources. However these benefits cannot be better quantified in general terms as each emergency plan could differ in regard to restrictions and obligations placed on stakeholders.

Article 102 – 103: Data analysis and communication

Article 102 requires Member States to provide checks on procedures, cross-checking and analysis of records held to test the quality and accuracy of the information supplied. Article 103 requires the Commission to have access to Member States' data to enable it to verify the completeness and accuracy of those data. These Articles replicate existing provisions and as such do not change the current costs or benefits.

Article 104 Protection of personal data

Article 105 Confidentiality and professional and commercial secrecy

These Articles contain standard provisions about the confidentiality of data held by Member States and rules governing the communication of those data to third parties. These replicate provision in existing legislation and as such do not change the current costs or benefits to either fishermen or Government.

Articles 106 - 108 Official Websites

These Articles require Member States to set up an official website containing a variety of information on fishing issues. Some of this information (specified in Article 107) is to be generally available to the public, other information (specified in Article 108) is to be kept on a secure part of the website, accessible only by officials of the Commission and the body designated by it (i.e. the Community Fisheries Control Agency). Data on the secure part of the website may also be exchanged with other Member States. The Commission may develop standards and procedures for the exchange of information between Member States and with the

Commission, which may include snapshots of fishing activity in relation to Total Allowable Catches (TACs) and Quotas.

Costs

There are no specific costs arising from the public part of the website. The information listed in Article 107 is currently available on Agency websites and is also provided in the conditions attached to fishing licences. As such these are no significant benefits from this Article.

Costs of setting up and maintaining the secure part of the website are not currently known. Member States are required to establish, maintain and keep-up –to-date specific information and provide direct electronic exchange of this information with other Member States. Whilst the information listed is mainly already available to Government from records held on databases and Member States can request such information for enforcement purposes, there is no direct for either the Commission or Other Member States. The costs of providing direct access could be considerable - the measures require both the use of a common security certification system to be established by the Commission (which may not be consistent with security policy within government for the access to departmental systems), and also to allow for real-time access for the Commission and counterpart enforcement bodies in other Member States. The introduction of systems to meet these requirements could involve considerable expense – e.g. to preserve the confidentiality and integrity of departmental systems, it may be necessary to set up multiple copies of the data to be held on multiple systems – thus involving additional expense through the duplication of systems. In the absence of further details of the security certification involved and other requirements it is not possible to estimate the level of these additional costs in detail, but they might be of the order of £50,000-£100,000³¹, with additional annual maintenance costs as well. The higher estimate of £100,000 has been used to estimate the one-off cost. Further analysis of the likely ongoing costs to government will be undertaken for the final assessment.

Benefits

The establishment of the public part of the website will be useful in providing a single point of access for stakeholders to go to for relevant information. The secure part of the website will provide a simplified and more efficient way for the sharing of sensitive data on fisheries between the relevant authorities in the various Member States. Similar systems are in place in some Regional Fisheries Management Organisations.

Article 109 Administrative cooperation of Member States/ Article 110 Reporting obligations/ Article 111 Committee procedure/ Article 112 Amendments to Council Regulation No 768/2005/Article 113 Amendments to other Regulations/Article 114 Repeals/ Article 115 References

This section puts in place the procedures and processes to be followed for implementation. As such, there are no costs or benefits arising from this section.

Article 116 - Entry into force

This Regulation will enter into force on 1 January 2010. There are no specific costs or benefits arising from this Article.

Table 1: Summary of costs

Article	One-off costs				Annual costs			
	Government	Business	Undecided	Total	Government	Business	Undecided	Total
Article 9			£2,732,000	£2,732,000	£31,504	£307,350		£338,854
Article 10	£70,000			£70,000				

³¹ Assumption estimated by MFA statistics Unit.

Article 15			£1,366,000	£1,366,000		£122,940		£122,940
Article 17 & 20						£34,200		£34,200
Article 21 & 22							£35,400	£35,400
Article 30, 31 & 32	£14,000			£14,000				
Article 54-56		£12,974		£12,974				
Article 108	£100,000			£100,000				
Total	£184,000	£12,974	£4,098,000	£4,294,974	£31,504	£464,490	£35,400	£531,394

Table 2: Summary of benefits

Article	Annual benefits to business
Article 14	£7,140
Article 15	£1,499,356 to £1,999,141
Article 54-56	£520,950 to £694,600
Total	£2,027,446 to £2,700,881

Table 3: Impact on admin burden

Article	Nature of benefit	Net reduction in admin burden (per annum)
Article 15 – electronic recording and transmission of logbook data	Removal of requirement to complete paper logbooks	£1,499,356 to £1,999,141
Article 54-56 – sales notes	Removal of requirement to complete paper sales notes	£520,950 to £694,600
Total (current prices)		£2,020,306 to £2,693,741

6. Enforcement, Sanctions and Monitoring

Enforcement of these measures will be undertaken by British Sea Fisheries Officers operating under and on behalf of the Marine and Fisheries Agency in England; the Scottish Fisheries Protection Agency in Scotland; in the Department of Agriculture & Rural Affairs in Northern Ireland and the Welsh Assembly Government in Wales.

7. Implementation and Delivery Plan

These will be developed after consultation and negotiation are completed.

8. Post implementation Review

Defra will carry out a review of the scheme (in England) within three years of the proposals being implemented to ensure it is meeting the requirements of the proposal in a reasonable and proportionate manner.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	Yes
Small Firms Impact Test	Yes	Yes
Legal Aid	Yes	Yes
Sustainable Development	Yes	Yes
Carbon Assessment	Yes	Yes
Other Environment	Yes	Yes
Health Impact Assessment	Yes	Yes
Race Equality	Yes	Yes
Disability Equality	Yes	Yes
Gender Equality	Yes	Yes
Human Rights	Yes	Yes
Rural Proofing	Yes	Yes

Impact Tests

Small firms Impact Assessment - In the UK there are currently 5936 licensed fishing vessels and 1374 Registered Buyers and Sellers.

Virtually all businesses in the fish industry are classified as small or medium size enterprises (SMEs). The vast majority are micro businesses (less than 10 employees). There have been no additional costs highlighted for small business.

Competition Assessment - Implementation of the proposal establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy will result in reductions in some existing administrative burden for Industry by use of technology and will simplify those processes for all involved. The competition assessment filter was applied to these Regulation, which apply equally to all businesses and no competition concerns were identified.

Legal Aid – this proposal does not create new criminal sanctions or civil penalties.

Sustainable Development – The proposal establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy conforms to the five principles of sustainable development to which the Government is committed.

Carbon and other environment – The options will have no significant effect on carbon emissions.

Health Impact – The proposal has no significant impact on human health by virtue of its effects on the wider determinants of human health; lifestyle related variables; or demand on health and social care services.

Race/Disability/Gender Equality – The implementation of the proposal establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy, will be available to all fishermen and registered buyers and sellers of first sale fish. There are no limitations on the grounds of race, disability or gender.

Human Rights – The Proposal is consistent with the Human Rights Act 1998.

Rural Proofing – Rural proofing is a commitment by Government to ensure domestic policies take account of rural circumstances and needs. The majority of those employed in the fishing and support services are based in coastal communities in rural areas. The implementation of proposal establishing a Community control system for ensuring compliance with the rules of the Common Fisheries Policy is designed to ensure the greater long term certainty about access to quota, which is a positive effect for the fishing and support services.

Plan of further economic work on IA

There is considerable uncertainty about the costs, and particularly the benefits, of many of the policies discussed in this IA. Information will be gathered where possible during the course of the consultation to address these gaps as outlined by Article below.

Article 10 – Automatic identification systems

- View on whether this measure is likely to improve enforcement

Article 14 – Logbook

- View on the likely impact of this measure on non-compliance.
- Time taken to submit effort reports.

Article 15 – Electronic recording and transmission of logbook data

- Value of time saving for MFA staff.
- Time taken to complete logbooks electronically.

Articles 17 and 20 – Prior notification and authorization to land and tranship

- Cost to UKFCC of processing additional notifications.
- View on the likely impact of this measure on enforcement.

Article 40

- Initial capital costs of amending IT system to track vessels in or close to MPAs and installing alarms.
- Evidence on environmental benefits of MPAs and the need for more effective monitoring.

Article 41 – Registration of discards

- Costs to Fisheries Departments of amending existing IT systems to allow recording of new data.
- Admin burden of calculating and recording details of discards.

Article 52 – First sale at auction centres

- Cost of registration requirement for buyers at auction centres.
- Cost to government due to monitoring and enforcement of requirement for sales of fish to be registered at auctions.

Article 53 – Weighing of fish

- View on potential impact of this measure on the accuracy of monitoring and recording of catches.

Articles 54-56 – Sales notes

- Time taken by buyers and sellers to submit sales note electronically.

Article 76 – Enhanced follow-up with regard to certain serious infringements

- View on potential impact of this measure on the incidence on misreported catches.

Article 84 – Penalty point system

- Cost to government of setting up or modifying infringements database and associated operating costs.
- View on the potential impact of measure on improving compliance levels.

Article 97 – Deduction of quotas

- Evidence on the potential impact of measure on the UK due to reduction in over-fishing in other MS.

Article 108 – The secure part of the official website

- Ongoing costs to government of allowing direct electronic exchange of information with other MS.