

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 181

[CGD 92-065]

RIN 2115-AE37

Hull Identification Numbers for Recreational Boats

AGENCY: Coast Guard, DOT.

ACTION: Request for comments.

SUMMARY: For several years the Coast Guard has been working on a regulatory project to expand the existing 12-character Hull Identification Number (HIN) required for all recreational boats manufactured in or imported into the United States. Many State law enforcement personnel, bankers, insurers, and theft investigators favor a longer HIN containing vessel-specific characters and a check digit. They believe it would deter both boat theft and the alteration of HIN's for fraudulent purposes. Therefore, the purpose of this notice is to solicit comments from interested people, groups, and businesses about whether the expected benefits to society of an expanded HIN format outweigh the paperwork burdens on boat manufacturers.

DATES: Comments must reach the Coast Guard on or before February 16, 1999.

ADDRESSES: You may mail comments to the Executive Secretary, Marine Safety Council (G-LRA/3406) (CGD 92-065), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001, or deliver them to room 3406 at the same address between 9:30 a.m. and 2 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-267-1477.

The Executive Secretary maintains the public docket for this rulemaking. Comments, and documents as indicated in this preamble, will become part of this docket and will be available for inspection or copying at room 3406, U.S. Coast Guard Headquarters, between 9:30 a.m. and 2 p.m., Monday through Friday, except Federal holidays.

FOR FURTHER INFORMATION CONTACT:

Alston Colihan, Office of Boating Safety, Recreational Boating Product Assurance Division, 202-267-0981. A copy of this notice may be obtained by calling the U.S. Coast Guard Infoline at 1-800-368-5647 or may be found on the Internet at the Office of Boating Safety Web Site at URL address www.uscgboating.org.

SUPPLEMENTARY INFORMATION:

Request for Comments

Persons submitting comments should include their names and addresses, identify this notice (CGC 92-065) and the specific area of concern to which each comment applies, and give the reason for each comment. Please submit two copies of all comments and attachments in an unbound format, no larger than 8½ by 11 inches, suitable for copying and electronic filing. If you want us to acknowledge receipt of your comments, please enclose a stamped, self-addressed postcard or envelope.

Background and Purpose

The Secretary of Transportation is required to establish the Vessel Identification System (VIS) (46 U.S.C. chapters 125, 131, and 313) for use by the public and law enforcement officials. The Secretary has delegated to the Commandment, U.S. Coast Guard, the authority to implement VIS. VIS will provide a nationwide pool of vessel and vessel owner information that will help in identification and recovery of stolen vessels and deter vessel theft.

Regulatory History

The Coast Guard published a Notice of Proposed Rulemaking in the **Federal Register** (59 FR 23651) on May 6, 1994, to expand the existing 12-character HIN to include certain vessel-specific information similar to the Vehicle Identification Number (VIN) on an automobile. A check digit in the expanded HIN would have made alteration of an HIN more difficult, thereby helping to prevent fraud in the sale of vessels. The comment period closed on September 9, 1994.

Various parties commenting on the proposal opposed the 19-character HIN and one comment from an association sought an extension of the comment period. Therefore, on November 9, 1994, a notice announcing a workshop and the reopening of the comment period was published in the **Federal Register** (59 FR 55823). The purpose of the workshop was to receive oral comments on the proposed 19-character HIN and explore various alternatives. Several organizations, including the International Organization for Standardization (ISO), the National Association of State Boating Law Administrators, the National Marine Manufacturers Association, the American Boat and Yacht Council, the National Association of Marine Investigators, and the North American Paddlesports Association were specifically invited to give oral presentations. The comment period for

the NPRM was extended until January 9, 1995.

The major obstacle to the proposed 19-character HIN is the increased information collection burdens, particularly on small entities and the builders of high-volume, low cost boats, such as canoes, kayaks, and inflatables.

The Coast Guard received 114 comments on the proposal, the majority of which were opposed to a 19-character HIN format or recommended a different format. None of the comments from State, insurance, theft investigation, or law enforcement organizations indicated that they would support exceptions to the proposed requirements for small entities or builders of high-volume, low-cost boats. Preliminary estimates of the time required to manually calculate the check digit for a single boat is 15 minutes.

Several comments, including one from the National Marine Manufacturers Association, which represents approximately 200 of the larger boat manufacturers, indicated that the International Standards Organization had finalized a HIN standard consisting of the existing Coast Guard 12-character HIN format preceded by a 2-character country code and a hyphen. The comments indicated that manufacturers would be using the ISO HIN standard beginning with the 1996 model year. If the Coast Guard adopted a different HIN format, manufacturers would have to place two different HIN's in the same location, creating worldwide documentation and importation problems for all involved.

Federal agencies with regulatory programs are subject to the Paperwork Reduction Act, which is enforced by the Office of Management and Budget (OMB). The intent of the Act is to ensure that the Federal Government imposes only the minimum burden on the public in collecting information and maintaining records and that the information collected or maintained is necessary and useful. Regulations requiring manufacturers to display labels, such as HIN's, are examples of collection-of-information requirements.

During the comment period, OMB contacted the Coast Guard and indicated that it had received many negative comments on the project and that OMB would be taking a very close look at the proposed collection of information requirements. None of the comments in favor of the proposal for a 19-character HIN were willing to allow exceptions for builders of high volume, low-cost boats. Therefore, because of Coast Guard concerns about information-collection burdens and the OMB comments, the

Coast Guard published a Supplemental Notice of Proposed Rulemaking (SNPRM) in the **Federal Register** on February 21, 1997 (62 FR 7971). The Coast Guard indicated that it would align the HIN with the recently adopted ISO 14-character HIN standard. The comment period closed May 22, 1997.

The Coast Guard received 31 comments nearly all of which were opposed to the 14-character ISO HIN format. Some of the comments indicated that, if the Coast Guard were to adopt the ISO format, instead of a 17- or 19-character HIN format, some States might refuse to participate in the development of the Vessel Identification System (VIS).

Discussion

There are two opposing views about how to expand the HIN format: (1) the States, bankers, insurers, and theft investigators favor an expanded format with vessel-specific characters and a check digit to deter both boat theft and the alteration of HIN's for fraudulent purposes; and (2) boat builders favor the recently adopted 14-character ISO HIN format. The Coast Guard is developing the Vessel Identification System (VIS), which will provide a nationwide pool of vessel and vessel owner information that will help in identifying and recovering of stolen vessels and deterring vessel theft. If just a few States with large recreational vessel populations refuse to participate in VIS, the usefulness of the system could be seriously jeopardized. However, the Coast Guard lacks detailed information about the anticipated costs and benefits of the HIN format favored by the States, bankers, insurers, and theft investigators. Also, we will believe that, if an expanded HIN format consisting of vessel-specific characters and a check digit is ever adopted, the Coast Guard should be allowed to exempt small manufacturers and manufacturers of high-volume, low-cost boats to minimize costs and information collection burdens. Therefore, the Coast Guard encourages you to comment on (1) the expected benefits of an expanded Hull Identification Number with vessel-specific characters and a check digit; (2) the manner in which the Coast Guard should exempt small entities and the builders of high-volume, low cost boats, such as canoes, kayaks, and inflatables; and (3) the estimated burdens and costs to boat manufacturers if the HIN regulations were revised to require vessel-specific characters and a check digit. We particularly need your help in answering the following questions:

1. *Expanded Hull Identification Number.* What are the expected benefits

if the HIN regulations include vessel specific characters delineating a vessel's length, hull material, and means of propulsion and a check digit to help detect fraudulent alterations of HIN's? What are the estimated numbers of thefts that would be prevented? What are the estimated numbers of lost or stolen boats that would be recovered? What is the estimated value of insurance company losses that would be prevented? What are the estimated numbers of fraud attempts that would be prevented? What are the estimated reductions in investigatory expenditures?

1. *Small entities.* The Coast Guard believes that, if it returns to a proposal for regulations to require an HIN consisting of additional vessel-specific characters and a check digit, then we have to be able to exempt some builders to minimize costs and information collection burdens on small manufacturers and manufacturers of high-volume, low-cost boats. Should the Coast Guard consider exempting all builders of non-powered boats? Should the Coast Guard consider exempting manufacturers of boats that sell for less than a certain amount? What alternatives are available that would reduce adverse impacts on small entities and builders of high-volume, low-cost boats?

3. *Costs and burdens.* Preliminary estimates of the time required to manually calculate the check digit for a single boat is 15 minutes. Is this estimate valid? How does this estimate translate into annual costs for manufacturers of various types of recreational boats?

Additional information about the benefits of an expanded HIN consisting of vessel-specific characters and a check digit and possible exceptions for small entities and builders of high-volume, low-cost boats is needed if the Coast Guard is to reconsider an expanded HIN.

Dated: November 5, 1998.

Ernest R. Riutta,

Rear Admiral, U.S. Coast Guard, Assistant Commandant for Operations.

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FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 64

[CC Docket No. 97-213, FCC 98-282]

Communications Assistance for Law Enforcement Act

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: This *Further Notice of Proposed Rulemaking* (Further NPRM) addresses alleged deficiencies in industry-developed technical requirements for wireline, cellular and broadband Personal Communications Services (PCS) carriers to comply with the assistance capability requirements prescribed by the Communications Assistance for Law Enforcement Act of 1994 (CALEA, or the Act). The Act authorizes the Commission to establish, by rule, technical requirements or standards that meet the assistance capability requirements, if industry or standards setting organizations have failed to set such standards, or if any party believes that an industry standard is deficient.

DATES: Comments are due December 14, 1998; reply comments are due January 13, 1999.

FOR FURTHER INFORMATION CONTACT: Rodney Small, Office of Engineering and Technology, (202) 418-2452.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's *Further Notice of Proposed Rulemaking*, CC Docket 97-213, FCC 98-282, adopted October 22, 1998, and released November 5, 1998. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-C404), 445 Twelfth Street, S.W., Washington, D.C., and also may be purchased from the Commission's duplication contractor, International Transcription Service, (202) 857-3800, 1231 20th Street, N.W., Washington, D.C. 20036.

Summary of the Further Notice of Proposed Rulemaking

1. The Further NPRM addresses alleged deficiencies in industry-developed technical requirements for wireline, cellular, and broadband PCS carriers to comply with the assistance capability requirements prescribed by CALEA. Industry developed these technical requirements in an attempt to satisfy the "safe harbor" provision of the Act, which permits telecommunications carriers to be found in compliance with