

Commandant. The proper assignment of an HIN to a vessel that previously did not have one, whether because of its age or because the manufacturer failed to permanently affix one, will protect the new owner and assist law enforcement efforts. Proper identification of vessels is vital to the success of the VIS and law enforcement efforts.

One of these comments also suggested that States be allowed to authorize the removal of an HIN. However, the Coast Guard has determined that this authority should remain with the Coast Guard consistent with the HIN requirements at 33 CFR 181.35.

Regulatory Evaluation

This action is not a significant regulatory action under section 3(f) of Executive Order 12866 and does not require an assessment of potential costs and benefits under 6(a)(3) of that order. It has not been reviewed by the Office of Management and Budget under that order. It is not significant under the regulatory policies and procedures of the Department of Transportation (44 FR 11040; February 26, 1979). The Coast Guard expects the economic impact of this interim final rule to be so minimal that a full Regulatory Evaluation under paragraph 10(e) of the regulatory policies and procedures of DOT is unnecessary. This interim final rule implements the provisions of the Act requiring the establishment of VIS, and establishes requirements for States that elect to participate in VIS, guidelines for State vessel titling systems, and procedures for certifying compliance with those guidelines. Participation in VIS and compliance with the guidelines for State vessel titling systems is entirely voluntary. Most of the information to be included in VIS is already collected by States when registering vessels within the State. Preliminary review of titling laws, regulations and administrative procedures of 28 States revealed that 21 of the State vessel titling systems would comply with most or all of the titling guidelines issued by this interim final rule. The overall impact of this rule will be the improvement of vessel and owner identification, and a potential decrease in the amount of information that is collected, other than for vessel registration, to identify a vessel or owner by State and Federal officials.

Small Entities

It is anticipated that the VIS computer system will facilitate the collection of information directly from State computer files. The impact of the rulemaking will be on States electing to participate in VIS, rather than on small

entities. Most of the information to be included in VIS is already collected by States when registering vessels within the State and by States that title vessels.

Therefore, the Coast Guard certifies under 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) that this interim final rule will not have a significant economic impact on a substantial number of small entities.

Collection of Information

This rule contains collection of information requirements. The Coast Guard has submitted the requirements to the Office of Management and Budget (OMB) for review under section 3504(h) of the Paperwork Reduction Act (44 U.S.C. 3501 et seq.), and OMB has approved them. The section numbers are: 187.7, 187.9, 187.101, 187.103, 187.105, 187.107, 187.201, and 187.301. The corresponding OMB control number is 2115-0607.

Federalism

The Coast Guard has analyzed this rule in accordance with the principles and criteria contained in Executive Order 12612 and has determined that this rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

This rule is not expected to infringe upon the rights of States to regulate, or preempt existing State regulations. State participation is entirely voluntary. However, once electing to participate, a State must comply with the requirements to ensure integrity and uniformity of information in VIS. Likewise, requesting certification that a State vessel titling system complies with the guidelines is also voluntary. Such certification, for participating States, confers preferred status on mortgages covering the whole of vessels titled in that State.

However, an amendment to 46 U.S.C. 12102 prohibits vessels from being both documented and titled beginning one year after the effective date of the vessel titling guidelines. The statutory amendment applies to all vessel owners whether or not the State chooses to participate in VIS or follow the State titling guidelines. For vessels required to be documented under Federal law, the Federal documentation requirement preempts State titling requirements. This preemption does not extend to recreational vessels, for which documentation is not required by Federal law. States that require documented vessels to be titled may desire to amend their requirements regarding vessels that are required by Federal law to be documented.

Environment

The Coast Guard considered the environmental impact of this rule and concluded that, under paragraph 2.B.2 of Commandant Instruction M16475.1B, this rule is categorically excluded from further environmental documentation. This rule establishes a nationwide information system for identifying vessels and vessel owners, and guidelines for State vessel titling systems. This action clearly would have no environmental consequences. A Categorical Exclusion Determination is available in the docket for inspection or copying where indicated under ADDRESSES.

List of Subjects in 33 CFR Part 187

Marine safety, Reporting and recordkeeping requirements, Administrative practice and procedure.

For the reasons set out in the preamble, the Coast Guard amends chapter I of title 33, Code of Federal Regulations, by adding part 187 to read as follows:

PART 187—VESSEL IDENTIFICATION SYSTEM

Subpart A—General

- Sec.
- 187.1 Applicability.
 - 187.3 Definitions.
 - 187.5 Vessel identifier.
 - 187.7 Participation procedures.
 - 187.9 Procedures for certification of compliance with guidelines for State vessel titling systems.

Subpart B—Information To Be Collected by Participating States

- Sec.
- 187.101 Information to identify a vessel owner.
 - 187.103 Information to identify a vessel.
 - 187.105 Information on titled vessels.
 - 187.107 Information to assist law enforcement officials.

Subpart C—Vessel Identification System Participation Requirements

- Sec.
- 187.201 Participating State requirements.
 - 187.203 Voluntary provisions for participating States.

Subpart D—Guidelines for State Vessel Titling Systems

- Sec.
- 187.301 Eligibility for preferred mortgage status.
 - 187.303 Definitions.
 - 187.305 Application for title.
 - 187.307 Dealer and manufacturer provisions.
 - 187.309 Transfer of title.
 - 187.311 Transfer by operation of law.