

stamped, self-addressed postcard or envelope. We will consider all comments and material received during the comment period. We may change this proposed rule in view of them.

Viewing comments and documents: To view comments, as well as documents mentioned in this preamble as being available in the docket, go to <http://dms.dot.gov> at any time and conduct a simple search using the docket number. You may also visit the Docket Management Facility in room PL-401 on the Plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays.

Privacy Act. Anyone can search the electronic form of all comments received into any of our dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review the Department of Transportation's Privacy Act Statement in the **Federal Register** published on April 11, 2000 (65 FR 19477), or you may visit <http://dms.dot.gov>.

Public Meeting

We do not now plan to hold a public meeting. But you may submit a request for one to the Docket Management Facility at the address under **ADDRESSES** explaining why one would be beneficial. If we determine that one would aid this rulemaking, we will hold one at a time and place announced by a later notice in the **Federal Register**.

Background and Purpose

In 1995, the International Organization for Standardization (ISO) issued a Hull Identification Number standard (ISO 10087:1995(E)) consisting of the same format as the existing Coast Guard 12-character HIN (manufacturer's identification, serial number, month of manufacture, year of manufacture, and model year) preceded by a 2-character country code and a hyphen. Under the ISO HIN standard, a boat made in the U.S. for export to a foreign country would bear a HIN such as: US-ABC12345G303.

Boat manufacturers in the United States that export to Europe started using the ISO HIN standard beginning with the 1996 model year. According to ISO 10087:1995(E), paragraph (4), Composition of HIN, "A HIN shall consist of 14 consecutive characters plus a hyphen * * *." But our regulation for displaying information near the HIN, 33 CFR 181.27, states, "If additional information is displayed on the boat within two inches of the hull

identification number, that information must be separated from the hull identification number by means of borders or must be on a separate label so that it will not be interpreted as part of the hull identification number." While the ISO HIN standard includes a paragraph with language that is nearly identical to § 181.27, these ISO requirements do not apply to the country code and hyphen, which precede our 12-character HIN.

The American Boat and Yacht Council (ABYC) develops voluntary consensus safety standards for the design, construction, equipment, maintenance, and repair of small craft. An ABYC Technical Committee studying the ISO HIN standard and our HIN standard concluded that the differing requirements create a problem for U.S. builders exporting to Europe. One large U.S. manufacturer that exports to Europe pointed out that use of a separate tape to create the border required by our HIN standard often results in misalignment and other flaws that may be confused with attempts to alter an HIN. This proposal was discussed at the October 29, 2001 meeting of the National Boating Safety Advisory Council and there were no objections by State Boating Law Administrators in attendance at the meeting. (66 FR 49445, September 27, 2001). The NBSAC unanimously passed a resolution requesting the Coast Guard to immediately pursue rulemaking for an exception to current regulations to allow the USA HIN system to conform to the ISO HIN standard while still allowing the states to not require the "Country Code" in their registration process.

Discussion of Proposed Rule

This rule would relieve manufacturers of recreational boats who sell both internationally and domestically of the burden of separating the country of origin code for the United States, "US-", from the other 12 characters in a HIN by means of borders or a separate label. Any other information would still have to be separated from characters in the HIN by means of borders or a separate label.

Regulatory Evaluation

This proposed rule is not a "significant regulatory action" under section 3(f) of Executive Order 12866, Regulatory Planning and Review, and does not require an assessment of potential costs and benefits under section 6(a)(3) of that Order. The Office of Management and Budget has not reviewed it under that Order. It is not "significant" under the regulatory

policies and procedures of the Department of Homeland Security (DHS).

We expect the economic impact of this proposed rule to be so minimal that a full Regulatory Evaluation under the regulatory policies and procedures of DHS is unnecessary. Allowing manufacturers to separate the Country of Origin Code without the use of borders or a separate label would relieve a burden and thereby reduce the costs of complying with the HIN display requirement.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601–612), we have considered whether this proposed rule would have a significant economic impact on a substantial number of small entities. The term "small entities" comprises small businesses, not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

The Small Business Administration (SBA) has set up size standards for each SIC code based on the number of employees or annual receipts. The only type of small entity that this rule would affect would be small businesses. There were 4,420 U.S. manufacturers of recreational boats in 2002, an estimated 80 percent of which qualify as small businesses by the size standards of the SBA. However, we have observed that the businesses we have identified as small do not manufacture as many boats as their larger competitors. In addition, most of the businesses we have identified as small do not export to the European market and therefore would not follow the ISO HIN format.

Therefore, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposed rule would not have a significant economic impact on a substantial number of small entities. If you think that your business, organization, or governmental jurisdiction qualifies as a small entity and that this rule would have a significant economic impact on it, please submit a comment to the Docket Management Facility at the address under **ADDRESSES**. In your comment, explain why you think it qualifies and how and to what degree this rule would economically affect it.

Assistance for Small Entities

Under section 213(a) of the Small Business Regulatory Enforcement Fairness Act of 1996 (Pub. L. 104–121), we want to assist small entities in understanding this proposed rule so that they can better evaluate its effect on