

## Supporting Statement for Vessel Identification System

### A. Justification:

#### 1. Circumstances that make the collection of information necessary.

The Secretary of Homeland Security (formerly Transportation) is required by Congress to establish the vessel identification system (VIS); to prescribe the manner and form for participating states and territories to make information available to VIS; to establish guidelines for state and territory vessel titling systems; and to establish procedures for certifying compliance with those guidelines (46 USC chapters 125, 131, and 313). The Secretary has delegated to the U.S. Coast Guard the authority to implement VIS. State and territory participation in VIS is entirely voluntary. However, to participate, states and territories must comply with certain requirements to ensure the integrity and uniformity of the information provided to VIS.

VIS will comprise a nationwide information system for identifying recreational, commercial, and public vessels that are numbered in accordance with 46 USC Chapter 123 or titled under the laws of a state or territory. VIS will include information identifying vessels and vessel owners, and information to assist law enforcement officials in the investigation of stolen vessels or other legal investigation, such as fraud. Furthermore, individuals who borrow money to purchase a vessel in a state or territory that both participates in VIS and holds certification of compliance (with guidelines for state or territory titling systems) will be deemed to have preferred mortgage status.

The regulations governing VIS have been effective since April 2001. The most significant implementation issue facing VIS is ensuring that each State provides the accurate and timely data necessary for VIS to be operationally effective. The Coast Guard plans to harmonize terminology governing the Standard Numbering System, the Vessel Identification System, and the Casualty or Accident Report. This rulemaking, currently entitled “Administrative Changes to Numbering of Vessels and Reporting of Casualties,” is at the workplan stage.

Any changes in information collection burden due the above rulemaking will be addressed in a separate request for OMB approval under that rulemaking.

This information collection supports the following strategic goals:

Department of Homeland Security

- ◆ Prevention
- ◆ Service

Coast Guard

- ◆ Mobility

Marine Safety, Security and Stewardship Directorate (CG-5)

- ◆ Reduce the number and/or impact of waterways impediments

#### 2. Purpose of the Information Collection.

All 50 states and 6 territories have the opportunity to participate in the VIS program. (The 6 territories are Guam, Puerto Rico, U.S. Virgin Islands, American Samoa, District of Columbia, and Northern Mariana Islands.) However, to participate, a state or territory must comply with

certain requirements to ensure the integrity and uniformity of the information provided to VIS. Each participating state or territory is required to collect and provide information to identify: 1) registered or titled vessels, 2) vessels' owners, and 3) claims against titled vessels. Currently that information is required to participate in the Standard Numbering System, which all States but Alaska participate in. The Coast Guard numbers Alaskan vessels.

Information is collected from registration summary updates and reconciliation updates.

**Registration Summary Updates:**

It is envisioned that at the end of each workday, a State participating in VIS will submit a summary update of the new registrations or registration renewals to VIS, which will include all registration changes for that day. The Coast Guard estimates this is done for 5 days, for 50 weeks. Consequently, the Coast Guard expects 250 registration summary updates per year from each participant. We do not know the order that States will begin to participate in VIS. However, we know that there were 27 participants as of 2008 and we assume an additional 7 will begin participating in 2009, 6 in 2010, 5 in 2011, 4 in 2012, 3 in 2013, 2 in 2014, and 2 in 2015. Over the eleven-year period from the beginning of 2005 through 2015, we estimate there would be a total of 94,000 registration summary updates, for an average of 8,545 per year. See Table 1.

Table 1: Number of Registration Summary Updates

<b>Year</b>	<b>Number of Participants</b>	<b>Summary Updates Per Participant</b>	<b>Total Summary Updates</b>
2005 - 2007	19	250	4,750
2008	27	250	6,750
2009	34	250	8,500
2010	40	250	10,000
2011	45	250	11,250
2012	49	250	12,250
2013	52	250	13,000
2014	54	250	13,500
2015	56	250	14,000
<b>TOTAL</b>			<b>94,000</b>

**Reconciliation Updates:**

If a State improperly inputs a new registration or registration renewal, an error report is generated from VIS. A State that receives an error report will be required to correct the error by producing a reconciliation update. The Coast Guard estimates a 2% error rate.

The number of registration changes (and it follows, reconciliation updates) is a function of the number of registered vessels. In 2007, the latest year for which there is available data, there were 12,875,568 registered vessels. See Table 2.

**TABLE 2: REGISTRATION STATISTICS AND ANNUAL TRANSACTIONS**

State Or Territory	Annual Vessel Population		State Or Territory	Annual Vessel Population
Florida	991,680		Arizona	144,570
California	964,881		Maine	112,818
Minnesota	866,496		Connecticut	108,539
Michigan	830,743		New Hampshire	100,261
Wisconsin	617,366		Colorado	98,055
Texas	599,567		Kansas	93,900
New York	494,020		Idaho	91,612
South Carolina	442,040		Nebraska	83,722
Ohio	415,228		Montana	79,651
Illinois	379,454		Utah	76,921
North Carolina	375,815		West Virginia	63,064
Georgia	344,597		Puerto Rico	62,360
Pennsylvania	342,427		Delaware	61,569
Missouri	321,782		Nevada	59,895
Louisiana	301,249		South Dakota	53,570
Tennessee	274,914		North Dakota	53,519
Alabama	274,176		Alaska	47,548
Washington	270,789		Rhode Island	43,665
Virginia	251,440		New Mexico	38,100
Indiana	241,474		Vermont	31,482
Oklahoma	223,758		Wyoming	26,956
Iowa	213,767		Hawaii	15,094
Arkansas	206,195		Virgin Islands	5,455
Maryland	202,892		Guam	3,278
Oregon	184,147		District of Columbia	2,866
New Jersey	183,147		N. Marianas	380
Mississippi	180,356		American Samoa	106
Kentucky	176,716			
Massachusetts	145,496		<b>TOTAL</b>	<b>12,875,568</b>

Source: Registration Statistics from U.S. Coast Guard, 2007.

The registration cycles of States vary. For example, whereas Florida requires registration to be renewed every year, California requires registration to be renewed every two years, and Minnesota every three years. Tennessee renews registrations every one, two and three years. From the number of registered vessels and the renewal cycles, we estimate that there were approximately 7,614,390 changes in registration (new registrations and renewals) in 2007. See Table 3.

**Table 3: Registration Renewal Cycles (2007 figures)**

1-Year renewals		2-Year Renewals		3-Year Renewals	
State	Registered Vessels	State	Registered Vessels	State	Registered Vessels
Alabama	274,176	California	964,881	Alaska	47,548
Amer. Samoa	47,548	Iowa	213,767	Arkansas	206,195
Arizona	144,570	Maryland	202,892	Georgia	344,597
Colorado	98,055	Massachusetts	145,496	Guam	3,278
Connecticut	108,539	Mississippi	180,356	Illinois	379,454
Dist. of Col.	61,569	Pennsylvania	342,427	Kansas	93,900
Florida	991,680	Rhode Island	43,665	Louisiana	301,249
Hawaii	15,094	Texas	599,567	Michigan	830,743
Idaho	91,612	Wisconsin	617,366	Minnesota	866,496
Indiana	241,474	States with Registration		Missouri	321,782
Kentucky	176,716	Options:		Nebraska	83,722
Maine	112,818	Tennessee	274,914	New Mexico	38,100
Montana	79,651			New York	494,020
Nevada	59,895			North Dakota	380
New Hamp.	59,895			Ohio	415,228
New Jersey	183,147			South Carolina	442,040
N. Marianas	79,651			Virginia	251,440
Oklahoma	223,758			West Virginia	63,064
Oregon	184,147			States with Registration	
Puerto Rico	62,360			Options:	
Utah	76,921			Delaware	51,797
Vermont	31,482			N. Carolina	356,946
Virgin Islands	5,455			South Dakota	51,604
Washington	270,789			Tennessee	261,465
Wyoming	26,956				
States with Registration					
Options:					
Delaware	61,569				
North Carolina	380				
South Dakota	53,570				
Tennessee	274,914				
<b>TOTAL</b>	<b>4,098,391</b>	<b>TOTAL</b>	<b>3,585,331</b>	<b>TOTAL</b>	<b>5,905,048</b>
Less 1/2 DE	30,785	Less 1/3 TN	91,638	Less 1/2 DE	30,785
Less 1/2 NC	190			Less 1/2 NC	190
Less 1/2 SD	26,785			Less 1/2 SD	26,785
Less 1/3 TN	91,638			Less 1/3 TN	91,638
Total/1 yr	3,948,994	Total/2 yrs	3,493,693	Total/3 yrs	5,755,650
<b>Total/Year</b>	<b>3,948,994</b>	<b>Total/Year</b>	<b>1,746,847</b>	<b>Total/Year</b>	<b>1,918,550</b>
<b>Grand Total per Year</b>	<b>7,614,390</b>	<b>(= 3,948,994 + 1,746,847 + 1,918,550)</b>			

As previously stated, we know that there were 27 participants as of 2008 and we assume an additional 7 will begin participating in 2009, 6 in 2010, 5 in 2011, 4 in 2012, 3 in 2013, 2 in 2014, and 2 in 2015. Over the past ten years, the number of registered vessels has grown at an average rate of 2% per year. Thus, from 7,614,390 registration changes in 2007, we expect 7,766,678 for 2008 ( $7,766,678 = 7,614,390 \times 1.02$ ). However, as we know, 27 (or about 48.2%) of the States participated in VIS during 2008, we also expect only 3,743,539 registration changes from VIS participants that year ( $3,743,539 = 7,766,678 \times 0.482$ ).

We assume that 2% of those registration changes are improperly recorded and will produce an error report. Consequently, over the eleven-year period from the beginning of 2005 through 2015, we estimate there would be 1,200,384 reconciliation updates, for an average of 109,126 reconciliation updates per year. See Table 4.

**Table 4: Frequency of Reconciliation Updates**

<b>Year</b>	<b>Total Registrations and Renewals</b>	<b>Percent Participation in VIS</b>	<b>Registration Updates for Participants</b>	<b>Total Reconciliation Updates</b>
2005	7,563,350	17.8	1,346,276	26,926
2006	7,601,167	28.6	2,173,934	43,479
2007	7,614,390	33.9	2,581,278	51,626
2008	7,766,678	48.2	3,743,539	74,871
2009	7,922,011	60.7	4,808,661	96,173
2010	8,080,452	71.4	5,769,442	115,389
2011	8,242,061	80.4	6,626,617	132,532
2012	8,406,902	87.5	7,356,039	147,121
2013	8,575,040	96.3	8,257,763	165,155
2014	8,746,541	96.4	8,434,164	168,683
2015	8,921,471	100.0	8,921,471	178,429
<b>TOTAL</b>	<b>89,440,062</b>		<b>60,019,185</b>	<b>1,200,384</b>

The **total average number of responses would be 117,671 per year** (8,545 for registration summary updates and 109,126 for reconciliation updates).

### **3. Considerations of the use of improved information technology to reduce the burden.**

100% of each participating State or Territory's daily transactions will be recorded electronically and automatically included in VIS. Furthermore, 100% of the reconciliation reports will be transmitted electronically. The support and maintenance of VIS will be combined with other Coast Guard programs at USCG Operations Systems Center (OSC), Martinsburg, West Virginia.

### **4. Efforts to identify duplication. Why similar information available cannot be used.**

In 2007, there were approximately 12.9 million registered vessels (in the 50 states and 6 territories), and most of these vessels were recreational vessels. Although the Coast Guard has a nationwide database for documented vessels, recreational vessels are, with rare exceptions, not documented. There has never been a nationwide database of recreational vessels, although recreational vessels far outnumber commercial and public vessels. VIS will, for the first time, create a nationwide database of recreational, commercial and public vessels.

Title 33 CFR 187 is based on the suggested process of vessel titling by the National Association of State Boating Law Administrators (NASBLA). Consequently, it is the intent of VIS to request information that is normally gathered by a state or territory when titling a recreational vessel. With VIS, federal agencies and participating states and territories will have access to the national database.

**5) Methods used to minimize the burden to small businesses if involved.**

This information collection does not have an impact on small businesses or other small entities.

**6. Consequences to the Federal program if collection were not conducted or conducted less frequently.**

The consequence to the federal Vessel Identification System of not collecting registered or titled vessel information would be the failure to enact the legislative intent of Public Law 100-710 (46 USC 125, 131, and 313). All data that 33 CFR 187 seeks to secure will be generated by participating states and territories. As of 2008, approximately 37 states and territories have vessel titling systems. There has been a move, sponsored by the NASBLA, to have all states and territories title vessels.

The primary benefits of VIS will come from its ability to serve as a tracking device much like the Vehicle Identification Number found in automobiles. As a tracking device, the benefits of VIS will be in:

- 1) the recovery of stolen or missing vessels, which will benefit boat owners, local and state law enforcement agencies and boat insurers;
- 2) the purchase of a vessel, which will make it less likely to unknowingly purchase a stolen vessel, which can be a financial disaster if the rightful owner shows up to claim it; and
- 3) the discovery of liens, unpaid taxes, and claims that are lodged against a vessel, and that can become the unexpected responsibility of the new owner.

Without VIS, these benefits are not realized.

**7. Special circumstances that require collection to be conducted in an inconsistent manner.**

This information collection is conducted in manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

**8. Solicitation of Comments.**

A 60 day (See [USCG-2009-0115], March 12, 2009, 74 FR 10752) and 30 day (See [USCG-2009-0116], June 24, 2009, 74 FR 30102) Notice was published in the Federal Register to obtain public comment on these collections. The USCG has not received any comments on these information collections.

**9. Provide any payment or gift to respondents.**

There is no offer of monetary or material value for this information collection.

**10. Assurances of confidentiality provided to respondents.**

There are no assurances of confidentiality provided to the respondents for this information collection.

**11. Additional justification for any questions of a sensitive nature.**

There are no questions of sensitive language.

**12. Estimate of annual hour and cost burden.**

- The estimated number of respondents is 56. (p. 7)
- The estimated number of annual responses is 117,671. (p. 5)
- The estimated annual hour burden is 5, 456 hours. (p. 7)
- The estimated annual cost burden is \$449,144. (p. 8)

This voluntary collection affects the 50 states and 6 territories (**56 respondents**) that choose to participate in VIS. In the estimation of hour and cost burdens we assume a 100% participation rate by the year 2015.

In 2007, there were 12,875,568 registered vessels and we assume the registered vessel population will grow at an average rate of 2% during from 2007 through 2015.

The costs of this collection are the start-up costs and recurring costs. The start-up costs are one-time costs that are found in the answer to question 13.

**Recurring Hour and Cost Burdens:**

The recurring hour and cost burdens are the hour and cost burdens of producing registration updates and the hour and cost burdens of producing reconciliation updates.

**Registration Summary Updates:**

The hour and cost burdens of the registration summary updates over and above the hour and cost burdens currently of the Standard Numbering System are negligible. Because every State but Alaska participates in the Standard Numbering System, we expect the total hour burden and cost burden of the registration summary updates would be negligible.

**Reconciliation Updates:**

We estimate it will take an average of 3 minutes (or 0.05 hours) to produce a reconciliation update. Over the eleven-year period, the total hour burden for reconciliation updates is 60,019 hours, for **an average of 5,456 hours burden per year**. See Table 4.

**Table 4: Hour Burden for Reconciliation Updates**

Year	Total Registrations and Renewals	Percent Participation in VIS	Registration Updates for Participants	Total Reconciliation Updates	Hour Burden Per Rec. Update	Hour Burden for Rec. Updates
2005	7,563,350	17.8	1,346,276	26,926	0.05	1,346
2006	7,601,167	28.6	2,173,934	43,479	0.05	2,174
2007	7,614,390	33.9	2,581,278	51,626	0.05	2,581
2008	7,766,678	48.2	3,743,539	74,871	0.05	3,744
2009	7,922,011	60.7	4,808,661	96,173	0.05	4,809
2010	8,080,452	71.4	5,769,442	115,389	0.05	5,769
2011	8,242,061	80.4	6,626,617	132,532	0.05	6,627
2012	8,406,902	87.5	7,356,039	147,121	0.05	7,356
2013	8,575,040	96.3	8,257,763	165,155	0.05	8,258
2014	8,746,541	96.4	8,434,164	168,683	0.05	8,434
2015	8,921,471	100.0	8,921,471	178,429	0.05	8,921
<b>TOTAL</b>	<b>89,440,062</b>		<b>60,019,185</b>	<b>1,200,384</b>		<b>60,019</b>

At a unit labor cost of \$31 per hour (*Commandant Instruction 7310.1L* for a wage equivalent to a GS-4), we estimate the annual cost of reconciliation updates would be \$1,860,589 over the eleven-year period (60,019 hours x \$31/hour). The average annual cost of reconciliation updates over the eleven year period would be approximately \$169,144.

The total cost of VIS over the eleven-year period would be \$4,940,589 which is equal to the total costs of the annual reconciliation updates plus the total of the startup costs (see item 13 below)..

**The total average annual cost would be \$449,144.** See Table 5.

**TABLE 5: VIS HOUR BURDEN AND COST**

Year	Total Hour Burden	Cost Per Hour	Recurring Cost	Start-Up Cost	Total Cost
2005	1,346	\$31	41,735	548,240	589,975
2006	2,174	\$31	67,392	332,640	400,032
2007	2,581	\$31	80,020	163,240	243,260
2008	3,744	\$31	116,050	440,440	556,490
2009	4,809	\$31	149,068	385,000	534,068
2010	5,769	\$31	178,853	329,560	508,413
2011	6,627	\$31	205,425	277,200	482,625
2012	7,356	\$31	228,037	218,680	446,717
2013	8,258	\$31	255,991	271,040	527,031
2014	8,434	\$31	261,459	3,960	265,419
2015	8,921	\$31	276,566	110,000	386,566
<b>TOTAL</b>	<b>60,019</b>	<b>\$31</b>	<b>\$1,860,589</b>	<b>\$3,080,000</b>	<b>\$4,940,589</b>

Note: Totals may not add due to rounding.

**13. Provide an estimate of the annualized capital/start-up costs to respondents.**

Much of the information to be included in the VIS database is already collected by states and territories when registering vessels. The start-up cost is the cost of developing the VIS database, interface, and conversion software at the state and territory level. The Coast Guard estimates the average start-up cost per state or territory is \$55,000. Because the start-up cost is a one-time cost, we assume it is only incurred during the first year in which a state or territory participates in VIS. The Coast Guard estimates the total start-up cost is \$3,080,000 (56 states and territories x \$55,000/state or territory = \$3,080,000). See Table 5 above. The average annual start-up cost would be \$308,000 (\$3,080,000/11 years = \$280,000/year).

**14. Estimates of annualized cost to the Federal Government.**

The Coast Guard contracted Computer Services Corporation to develop VIS. The cost of the contract was \$2,200,000. It was a one-time cost that has already been incurred.

The Coast Guard estimates the annual cost to support and maintain VIS will be \$821,659.

**15. Reasons for change in the burden.**

The change in burden is an ADJUSTMENT due to a change in vessel population.



**16. Plans for tabulation, statistical analysis and publication.**

This information collection will not be published for statistical purposes.

**17. Approval for not explaining the expiration date for OMB approval.**

The Coast Guard will display the expiration date for OMB approval of this information collection.

**18. Exception to the certification statement.**

The Coast Guard does not request an exception to the certification of this information collection.

**B. Collection of Information Employing Statistical Methods:**

This section does not apply because the collection of information does not employ statistical methods.