

SJR

29

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Bill Version: SJA 29
(S) Publish Date: 5/8/91

Revision Date: _____ Department Affected: _____
 Title: Proposed annual federal fee for BRU: _____
Recreational vessels Component: _____
 Sponsor: Senator Zharoff
 Requestor: _____ COMPONENT SERIAL NO.

--	--	--	--

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Senate Resources Committee Phone: 465-4907
 Division: Park Terrel Resources Staff Date: 5/6/91
 Approved by Senator Lloyd Jones, Chairman
 Agency: _____ Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).



SENATOR FRED F. ZHAROFF

ALASKA STATE LEGISLATURE

P. O. BOX 405, KODIAK, ALASKA 99815 (907) 488-5259

DURING SESSION:

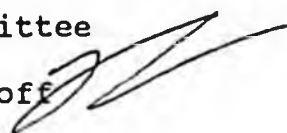
P. O. BOX V, JUNEAU, ALASKA 99811 • (907) 465-3473 • 465-3474

DISTRICT N

ALASKA PENINSULA • ALEUTIAN CHAIN • BRISTOL BAY • KODIAK ISLAND • LAKE CLARK/LAKE ILIAMNA • PRIBILOF ISLANDS • SHUMAGIN ISLANDS

MEMORANDUM

TO: Representative Cliff Davidson
Chairman
House Resources Committee

FROM: Senator Fred F. Zharoff 

DATE: May 14, 1991

RE: Senate Joint Resolution 29 - "Relating to the proposed annual federal fee for recreational vessels."

I respectfully request the House Resources Committee to hold a hearing on SJR 29 at the earliest possible opportunity.

SJR 29 would place the Alaska Legislature on record in support of the Congressional efforts to repeal the federal recreational vessel fees that are going into effect this year.

The vessel fees are a revenue generating measure that was included in the Omnibus Budget Reconciliation Act of 1990. They provide recreational vessel owners with absolutely no direct benefits. The fees are a targeted tax that will be deposited in the U.S. Treasury for the purpose of funding all federal expenditures.

Two bills have been introduced in the U.S. Congress -- H.R. 534 by Rep. Robert W. Davis of Michigan and S. 843 by Sen. John B. Breaux of Louisiana -- to repeal the recreational vessel fees.

The following background information is attached:

1. "Boat Use Tax Fact Sheet" from the Office of Rep. Robert Davis.
2. Copy of H.R. 534, legislation to repeal the boat tax.
3. News release from the U.S. Department of Transportation regarding implementation of boat tax, dated March 28, 1991.
4. Recreational vessel fees Federal Register notice, dated March 28, 1991.

BOAT USE TAX FACT SHEET

①

Background

First proposed in the FY 1981 Administration's budget request, the recreational boat use fee proposal has faced opposition annually since then. The Merchant Marine and Fisheries Committee has traditionally been opposed to the boat use fee, believing it to be a general tax rather than a fee for a specific service rendered by the Coast Guard. The boating community of approximately six million licensed boats already pays a motorboat fuel tax, which was also increased 5 cents per gallon as part of budget reconciliation, and this is calculated to collect \$149 million in FY 1991. The recreational boat use fee was tested on the Floor of the House when it was offered as an amendment to the Coast Guard Authorization Act of 1987 and was resoundingly defeated by a vote of 287 to 119 on July 8, 1987.

Reconciliation instructions imposed by the House Concurrent Resolution on the Budget for FY 1991 directed the Merchant Marine and Fisheries Committee to implement a set of fees and taxes with savings totaling \$200 million. The budget conference resulted in a combination of fees for licenses and inspections (\$26 million), the graduated recreational boat use tax (\$127 million), and a small increase in a shipping tonnage tax (\$53 million).

Boat Use Tax

The Omnibus Budget Reconciliation Act of 1990 directs the Secretary of Transportation to establish an annual fee for recreational boats that are greater than 16 feet in length. There is a graduated schedule so that owners of larger vessels pay a higher fee and the fee applies only to vessels operating on navigable waters of the United States where the Coast Guard has a presence. This applies to all recreational vessels, including kayaks and canoes.

Greater than 16 ft., but less than 20 ft. -- not more than \$25
20 ft. or more, but less than 27 ft. -- not more than \$35
27 ft. or more, but less than 40 ft. -- not more than \$50
40 ft. or more -- not to exceed \$100.

No specific Coast Guard service is guaranteed in return for this tax and the proceeds go into the general treasury.

Collection of the Tax

The Coast Guard is preparing the regulations, which will be published in the Federal Register prior to implementation, and they should be in effect by Memorial Day weekend. The method of collection has not yet been determined.

H.R. 534

H.R. 534, to repeal the boat use tax, was introduced by Robert W. Davis (R.-Mich.), on January 15, 1991. To cosponsor, please call, ext. 52650.

2

102D CONGRESS
1ST SESSION

H. R. 534

To amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 1991

Mr. DAVIS (for himself and Mr. BATEMAN) introduced the following bill; which was referred to the Committee on Merchant Marine and Fisheries

A BILL

To amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. COAST GUARD RECREATIONAL BOAT TAX

4 REPEAL.

5 Section 2110 of title 46, United States Code, is amend-
6 ed—

7 (1) by repealing subsection (b);

8 (2) in subsection (c), by striking "subsections (a)

9 and (b)," and inserting "this section,"; and

2

1 (3) by redesignating subsections (c) through (i) as
2 subsections (b) through (h), respectively.

○



U.S. Department of
Transportation

News:

Office of the Assistant Secretary for Public Affairs
Washington, D.C. 20590

465-2920
2921

3

FOR IMMEDIATE RELEASE
Thursday, March 28, 1991

CG 04-91
Contact: PAC Hellick
Tel.: (202) 267-3931

COAST GUARD PROPOSES ANNUAL FEES FOR RECREATIONAL VESSELS

The U.S. Coast Guard is soliciting public comment on a Notice of Proposed Rulemaking that would establish an annual fee for recreational vessels over 16 feet long that are operated on navigable waters of the United States where the Coast Guard has a presence.

Under the Omnibus Budget Reconciliation Act of 1990, the Secretary of Transportation is required to establish an annual fee for recreational vessels and collect it for a five-year period beginning in fiscal year 1991 through 1995. Congress has stated that the fee "is intended to require recreational boaters to share in the cost of existing Coast Guard programs, including search and rescue, boating safety, and aids to navigation. . . which provide substantial benefits to recreational boaters."

The proposed fees are: \$25.00 for vessels over 16 feet but less than 20 feet; \$35.00 for vessels at least 20 feet but less than 27 feet; \$50.00 for vessels at least 27 feet but less than 40 feet; and \$100.00 for vessels at least 40 feet in length. The fees collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury and attributed to U.S. Coast Guard activities.

The fee would not apply to vessels 16 feet and under, public vessels, or certain Coast Guard Auxiliary vessels. The proposed rule also would exempt foreign vessels, lifeboats, racing vessels, yacht tenders, sailboards, rowboats, canoes, kayaks, and rowing sculls.

Navigable waters of the United States include the territorial seas, internal tidal waters, and certain internal non-tidal waters. Each Coast Guard district office maintains a list of navigable waters within its jurisdiction. "Where the Coast Guard has a presence" is broadly defined to mean "within Coast Guard district boundaries."

The Coast Guard proposes to require a decal affixed to the vessel as proof of payment. It would be valid for the federal fiscal year — Oct. 1 - Sept. 30. Comments are also requested on whether the validity period should be a fiscal year, calendar year or some other time frame.

-2-

The Coast Guard will include procedures for obtaining the decal in the final rule. Options being considered include obtaining the decals in person, by mail, or by telephone, and permitting payment by cash, check, money order, or credit card. Convenience to the purchaser will be an important factor in this decision.

Full text of the Notice of Proposed Rulemaking is in the March 28, 1991, issue of the Federal Register (Part IV). Copies may be obtained from the Coast Guard by calling the toll-free boating safety hotline, 800-368-3647 -- in Washington D.C., call 267-0780.

Written comments should be mailed on or before May 13, 1991, to Commandant (G-LRA-2/3406) (CGD 90-067), U.S. Coast Guard Headquarters, 2100 Second St. S.W., Washington, D.C. 20593-0001, telephone (202) 267-1477.

00000

4

DEPARTMENT OF TRANSPORTATION

Coast Guard

33 CFR Part 1

(CGD 90-067)

RIN 2115-AD87

Recreational Vessel Fees

AGENCY: Coast Guard, DOT.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Coast Guard proposes to establish a graduated annual fee for recreational vessel operated on navigable waters of the United States where the Coast Guard has a presence. Assessing the fee will require recreational boaters to share in the cost of Coast Guard programs from which they benefit, including search and rescue, boating safety, and aids to navigation. The amounts collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury as offsetting receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities.

DATE: Comments must be received on or before May 13, 1991.

ADDRESSES: Comments may be mailed to the Executive Secretary, Marine Safety Council (G-LRA-2/3406) (CGD 90-067), U.S. Coast Guard Headquarters, 2100 Second Street SW., Washington, DC 20593-0001, or may be delivered to room 3406 at the above address between 8 a.m. and 3 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 will become part of this docket and will be available for inspection or copying at room 3406, U.S. Coast Guard Headquarters.

FOR FURTHER INFORMATION CONTACT: Mr. Carlton Perry, Auxiliary, Boating, and Consumer Affairs Division, (202) 267-0979.

SUPPLEMENTARY INFORMATION:**Request for Comments**

The Coast Guard encourages interested persons to participate in this rulemaking by submitting written data, views, or arguments. Persons submitting comments should include their name and address, identify this rulemaking (CGD 90-067) and the specific section of this proposal to which each comment applies, and give a reason for each comment. Persons wanting acknowledgment of receipt of comments should enclose a stamped, self-addressed postcard or envelope.

The Coast Guard will consider all comments received during the comment period. It may change this proposal in view of the comments.

The Coast Guard plans no public hearing. Persons may request a public hearing by writing to the Marine Safety Council at the address under "ADDRESSES". If it determines that the opportunity for oral presentations will aid this rulemaking, the Coast Guard will hold a public hearing at a time and place announced by a later notice in the Federal Register.

Drafting Information

The principal persons involved in drafting this document are Carlton Perry, Project Manager, and Christena Green, Project Counsel, Office of Chief Counsel.

Background and Purpose

The Omnibus Budget Reconciliation Act of 1990 (the Act) amended section 2110 of title 46, United States Code, to require the Secretary of Transportation to establish a fee or charge for recreational vessels and collect it annually in fiscal years (FY) 1991 through 1995 from the vessel owner or operator. The fee is intended to require recreational boaters to share in the cost of Coast Guard programs from which they benefit, including search and rescue, boating safety, and aids to navigation, but for which direct user fees cannot be assessed. The proposed regulations would apply to recreational vessels greater than 16 feet in length, operated on the navigable waters of the United States where the Coast Guard has a presence. The amounts collected for fiscal years 1991 through 1995 will be deposited in the U.S. Treasury, ascribed to U.S. Coast Guard activities.

Discussion of Proposed Amendments**Section 1.30-1 Applicability**

Under 46 U.S.C. 2110(b), the recreational vessel fee applies to recreational vessels that are greater than 16 feet in length and are operated on navigable waters of the United States where the Coast Guard has a presence. However, the same provision also provides that the fee, "does not apply to a public vessel, or a vessel deemed to be a public vessel under section 827 of title 14."

Section 1.30-5 Exemptions

The fee under 46 U.S.C. 2110(b) would not apply to most sailboards and manually propelled vessels such as, rowboats, canoes, and kayaks because they are not over 16 feet in length. However, in calculating the expected amounts of receipts to be collected from

recreational vessels, the Congressional Budget Office (CBO) did not include these types of vessels that are over 16 feet in length. The use of Coast Guard search and rescue, boating safety, and aids to navigation programs by these vessels that are over 16 feet in length is no greater than the use of these programs by the smaller vessels. Therefore, under the discretionary exemption provision of the Act, this proposal would exempt from recreational vessel fees: rowboats, canoes, kayaks, sailboards, racing shells, rowing sculls, racing kayaks, and other recreational vessels propelled by oars, paddles, poles or sails attached to an unsupported mast. This proposal would also exempt other vessels over 16 feet in length, including foreign vessels temporarily operated on navigable waters of the U.S.; ships' lifeboats; vessels used exclusively for racing; and numbered or documented vessel tenders. These vessels were also not in the data base considered by CBO in calculating the estimated receipts from recreational vessels.

Section 1.30-7 Definitions

The Coast Guard also proposes to define key terms related to the recreational vessel fee. This proposal generally relies on the existing definitions listed in subtitle II of title 46, United States Code, or subchapter S of title 33 Code of Federal Regulations, as follows:

Recreational vessel. This proposal would use the definition of "recreational vessel" in 46 U.S.C. 2101(25), "a vessel being manufactured or operated primarily for pleasure; or leased, rented, or chartered to another for the latter's pleasure."

Public vessel. This proposal would use the definition of "public vessel" in 46 U.S.C. 2101(24), "a vessel that is owned, or demise chartered, and operated by the United States Government or a government of a foreign country; and is not engaged in commercial service."

Vessel deemed a public vessel. This proposal would define "vessel deemed a public vessel" as a vessel accepted by the Coast Guard as an Auxiliary Operational Facility, under 33 CFR 5.43, and bearing a current Auxiliary Operational Facility Sticker. Under 14 U.S.C. 827, "Any motorboat or yacht, while assigned to authorized Coast Guard duty, shall be deemed to be a public vessel of the United States." The Coast Guard considered exempting from the fee only those vessels that actually performed such duty in the prior year, but determined that this would be

administratively burdensome and difficult to enforce. An Auxiliary vessel may only perform authorized Coast Guard duty after it has been accepted by the Coast Guard as meeting the requirements in section II of the CG-4951 inspection checklist and authorized to bear a Coast Guard Auxiliary Operational Facility sticker. The Coast Guard therefore, proposes to define a "vessel deemed a public vessel" as an Auxiliary vessel bearing a current Coast Guard Auxiliary Operational Facility sticker.

Navigable waters of the United States. This proposal would use the definition of "Navigable Waters of the United States" in 33 CFR 2.05-25, which include the territorial seas of the U.S.; internal waters of the U.S. subject to tidal influence, meeting specific criteria related to substantial interstate or foreign commerce. Under 33 CFR subpart 2.10, each Coast Guard district office maintains a list of waters within the district boundaries which the Coast Guard has decided to be navigable waters of the U.S. for the purposes of its jurisdiction.

Where the Coast Guard has a presence. Congress expressed its intent regarding the changes to 46 U.S.C. 2110 by stating in the Conference Report (Report 101-964, 27 October 1990), "The indirect user fee authorized by this subsection is intended to require recreational boaters to share in the cost of existing Coast Guard programs, including search and rescue, boating safety, and aids to navigation, for which no direct user fee may be assessed, but which provides (sic) substantial benefits to recreational boaters." The jurisdictional boundaries of the Coast Guard's Areas, Districts and Marine Inspection and Captain of the Port Zones are listed in 33 CFR part 3. This proposal would broadly define "where the Coast Guard has a presence" as "within the district boundaries" because Coast Guard district commanders are responsible for providing search and rescue, boating safety, and aids to navigation services within their district boundaries. The Coast Guard does not propose the Area limits because they are too broad—Western and Eastern Hemispheres—nor the listed port zones because they are not Search and Rescue, Boating Safety, or Aids to Navigation zones.

Section 1.30-10 Fee Amounts.

This proposal would set the fee amount at the maximum allowed under 46 U.S.C. 2110 for each category of vessel length. The CBO estimated that the recreational vessel fee would generate \$127 million in fiscal 1993 and

\$718 million over the five-year life of the fee. Although the Coast Guard has collected statistics on the numbers of numbered, undocumented vessels since 1960, the vessel length categories do not fully coincide with the length categories now used in 46 U.S.C. 2110. In considering the amount of the fee to set under 46 U.S.C. 2110, the Coast Guard relied on the numbers of vessels for the length categories maintained in its Boating Statistics 1989 (Commandant Publication P16754.3; June 1990) to derive the numbers of vessels for each of the length categories used in 46 U.S.C. 2110. The boating statistics for 1989 indicate there were 3,471,000 vessels over 16 feet but less than 20 feet; 1,156,000 vessels 20 feet but less than 27 feet; 397,000 vessels 27 feet but less than 40 feet; and 115,000 vessels at least 40 feet in length. The Coast Guard estimates that 80 percent of these vessels will be operated on the navigable waters of the U.S. where the Coast Guard has a presence. The decision to charge the maximum fees was based on these statistics.

Section 1.30-15 Evidence of Fee Payment

This proposal would require a recreational vessel owner to annually obtain a decal (by paying the appropriate fee) and to affix the decal to the vessel. The Coast Guard is considering potential agents and methods for collecting the annual fee, including provisions to obtain the decals in person, by mail, or by telephone, and which would permit payment by cash, check, money order, or credit card. Convenience to the purchaser will be an important factor in selecting the method to be utilized. The Coast Guard will include the procedures for obtaining the decal in the final rule. The Coast Guard is proposing that the decal be valid during the fiscal year for which it is issued to coincide with the fiscal year collection requirement in the statute. The Coast Guard recognizes that this proposal could require a boat owner to purchase two decals during calendar year 1991. The Coast Guard specifically solicits comment on whether the decal validity period should be fiscal year, calendar year or some other time frame.

Section 1.30-30 Penalties

This proposal includes two provisions on penalties. Under 46 U.S.C. 2110, a person failing to pay the fee would be liable to the U.S. Government for a civil penalty of not more than \$5,000 for each violation and the Coast Guard may also assess appropriate additional charges to a vessel owner or operator to recover collection and enforcement costs

associated with delinquent payment of the annual fee. These penalties and changes would be administered under the provisions of subpart 1.07 of this chapter.

Regulatory Evaluation

This proposal is major under Executive Order 12291 and significant under the Department of Transportation Regulatory Policies and Procedures (44 FR 11040; February 28, 1979). This proposal is expected to generate approximately \$127 million from owners of recreational vessels in FY 1991, \$135 million in FY 1992, \$143 million in FY 1993, \$152 million in 1994 and \$161 million in FY 1995 for a total economic impact of approximately \$718 million on the boating public over the five year period.

Although the proposal would exceed a \$100 million annual effect on the economy, the fees would apply only to owners or operators of recreational vessels used on navigable waters of the U.S. where the Coast Guard has a presence. The fees for recreational vessels are unlikely to influence an individual's decision to purchase a recreational vessel, and therefore the fees are unlikely to have an effect on recreational vessel production and sales. The Coast Guard believes that even the maximum fee allowed for each category of vessel length is a minimal increase in the annual expense of owning and operating a recreational vessel.

Because the statute mandates establishment and collection of fees, the discretionary aspects of this rulemaking are limited to setting the amount of the fee within the statutory range for each category of vessel length. The usual cost/benefit analysis required for a Regulatory Impact Analysis is not appropriate. The proposed fees are not directly related to the cost of the Coast Guard programs that Congress intends the recreational boaters to support, i.e., search and rescue, boating safety, and aids to navigation. The fees to be paid by individual boaters are not directly related to his or her use of, or benefits derived from, these programs. Rather the fees are to be related solely to the length of the vessel. The revenues collected from these fees are not added to current Coast Guard appropriations and do not directly affect future appropriations for these programs.

The amendments to 46 U.S.C. 2110 removing long-standing prohibitions against charging fees for services provided to commercial vessels and maritime personnel, as well as the new mandate to establish fees for

recreational vessels, are consistent with other provisions of the Omnibus Budget Reconciliation Act designed to increase revenues to further reduce the budget deficit.

The collection of these fees does not alter or expand the functions, powers, responsibilities, or liability of the United States under any law for the performance of services. Recreational vessel owners paying the proposed fees, therefore, can expect no increase in the quantity, quality, or variety of services they receive from the Coast Guard.

The proposed fees will have no impact on government agencies and any difference in impact on geographical regions is related solely to the prevalence of navigable waters of the United States in the region.

Under 46 U.S.C. 2110(b), the fees can be set at not more than \$25 for vessels greater than 16 feet but less than 20 feet; not more than \$35 for vessels at least 20 feet but less than 27 feet; not more than \$50 for vessels at least 27 feet but less than 40 feet; and not more than \$100 for vessels at least 40 feet in length. The Coast Guard estimates that 80 percent of the total number of applicable recreational vessels over 16 feet in length will be operated on navigable waters of the U.S. where the Coast Guard has a presence. The following table lists the calculated fees collected at the maximum fee amount by category of vessel length.

Vessel length category	Number of vessels	Maximum fee amount (\$)	Total fees collected (\$)
>16'-<20'	3,471,000	25	86,775,000
20'-<27'	1,156,000	35	40,460,000
27'-<40'	387,000	50	19,350,000
40' and over	115,000	100	11,500,000
Totals	5,129,000		158,585,000
80% of totals	4,111,200		126,868,000
CBO estimate for FY 1991			127,000,000

Thus, establishing the fees uniformly at the maximum amount authorized by the statute will produce approximately the same amount estimated to be collected in the Congressional Budget Office report that was considered by Congress in enacting the statutory change.

Small Entities

Under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the Coast Guard must consider whether this proposal will have a significant economic impact on a substantial number of small entities.

"Small entities" include independently owned and operated small business that are not dominant in their field and that otherwise qualify as "small business concerns" under section 3 of the Small Business Act (15 U.S.C. 632). This proposal would apply the fee to recreational vessels, not uninspected passenger or other commercial business vessels. Because it expects the impact of this proposal on small entities to be minimal, the Coast Guard certifies under 5 U.S.C. 605(b) that this proposal, if adopted, will not have a significant economic impact on a substantial number of small entities.

Collection of Information

This proposal contains no collection of information requirements under the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*). Obtaining and placing a decal on a vessel is not a collection of information, but merely an exhibit of evidence of payment of the required fee, with no need to retain any receipt or other evidence of payment to show to a boarding officer.

Federalism

The Coast Guard has analyzed this proposal in accordance with the principles and criteria contained in Executive Order 12812 and has determined that this proposal should not have sufficient federalism implications to warrant the preparation of a Federalism Assessment. The Coast Guard invites comment from any State or local governmental entity that believes this proposal will have any such federalism implications.

Environment

The Coast Guard considered the environmental impact of this proposal and concluded that under section 2b.2. of Commandant Instruction M16475.1B, this proposal is categorically excluded from further environmental documentation. This proposal is an administrative action, required by the Act to generate revenues, that clearly does not have any environmental impact. A Categorical Exclusion Determination is available in the docket for inspection or copying where indicated under "ADDRESSES."

List of Subjects in 33 CFR Part 1

Administrative practice and procedure. Authority delegations (Government agencies). Freedom of information. Penalties. Fees.

For the reasons set out in the preamble, the Coast Guard proposes to amend 33 CFR part 1 as follows:

1. Part 1 is amended by adding a new subpart 1.30—Recreational Vessel Fees to read as follows:

PART 1—GENERAL PROVISIONS

Subpart 1.30—Recreational Vessel Fees

Sec.

- 1.30-1 Applicability.
- 1.30-5 Exemptions.
- 1.30-7 Definitions.
- 1.30-10 Fee amounts.
- 1.30-15 Evidence of fee payment.
- 1.30-30 Penalties.

Subpart 1.30—Recreational Vessel Fees

Authority: 46 U.S.C. 2110; 49 CFR 1.46.

§ 1.30-1 Applicability.

This subpart establishes an annual fee for recreational vessels operated on navigable waters of the United States where the Coast Guard has a presence. The fee requirement will be effective in fiscal years 1991, 1992, 1993, 1994 and 1995. This subpart does not apply to recreational vessels 16 feet in length and under, public vessels, and vessels deemed public vessels under 14 U.S.C. 827.

§ 1.30-5 Exemptions.

The following recreational vessels are exempt from the vessel fee provisions of this subpart:

- (a) Foreign vessels temporarily operated on navigable waters of the United States;
- (b) Ships' lifeboats;
- (c) Manually propelled rowboats, canoes, kayaks, sailboards, racing shells, rowing sculls, racing kayaks, and other recreational vessels propelled by oars, paddles, poles, or sails attached to an unsupported mast.

(d) A vessel that is used exclusively for racing;

(e) A vessel equipped with propulsion machinery of less than 10 horsepower that:

(1) Is owned by the owner of a vessel for which a valid certificate of number has been issued;

(2) Displays the number of that numbered vessel followed by the suffix "1" in a manner prescribed in § 173.27 (Example: DC 5678 EF 1 or DC-5678-EF-1; and

(3) Is used as a tender for direct transportation between that vessel and the shore and for no other purpose.

(f) A vessel equipped with propulsion machinery of less than 10 horsepower that is owned by the owner of a documented vessel and is used as a tender for direct transportation between

that vessel and the shore and for no other purpose.

§ 1.30-7 Definitions.

Fiscal year means the 12 month period beginning on October 1 of one calendar year and ending on September 30 of the following calendar year. The fiscal year is designated by the calendar year in which it ends, i.e., fiscal year 1991 begins on October 1, 1990, and ends on September 30, 1991.

Length means the straight line horizontal measurement of the overall length from the foremost part of the vessel to the aftermost part of the vessel, measured from end to end over the deck excluding sheer, and measured parallel to the centerline. Bow sprits, bumpkins, rudders, outboard motor brackets, handles, and other similar fittings, attachments, and extensions are not included in the measurement.

Navigable waters of the United States means the waters defined in § 2.05-25 of this subchapter, and includes the territorial seas of the United States; internal waters of the United States that are subject to tidal influence; and internal waters of the United States not subject to tidal influence meeting the criteria of that section. Under subpart 2.10 of this subchapter, a Coast Guard district office maintains a list of waters within the district which the Coast Guard has decided to be navigable waters of the United States for the purposes of its jurisdiction.

Operator means the person who is in control or in charge of a vessel while it is in use.

Owner means a person who claims lawful possession of a vessel by virtue of legal title or equitable interest therein which entitles the person to such possession.

Public vessel means a vessel that is owned, or demise chartered, and operated by the United States

Government or a government of a foreign country; and is not engaged in commercial service.

Racing shell, rowing scull, and racing kayak means a manually propelled vessel that is recognized by a national or international racing association for use in competitive racing and one in which all occupants row, scull, or paddle, with the exception of a coxswain, if one is provided, and is not designed to carry and does not carry any equipment not solely for competitive racing.

Recreational vessel means a vessel being manufactured or operated primarily for pleasure; or leased, rented, or chartered to another for the latter's pleasure.

Sailboard means a sail propelled vessel with no freeboard and equipped with a swivel mounted mast not secured to a hull by guys or stays.

Use means operate, navigate, or employ.

Vessel includes every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

Vessel deemed a public vessel means a vessel accepted by the Coast Guard, under the provisions in part 5 of this chapter, as an Auxiliary Operational Facility and bearing a current Auxiliary Operational Facility sticker.

Where the Coast Guard has a presence means the geographical areas over which the Coast Guard District Commanders exercise operational responsibility. These areas are described in part 3 of this chapter.

§ 1.30-10 Fee amounts.

The recreational vessel fees for the categories of vessel length are as follows:

(a) Vessels greater than 16 feet in length but less than 20 feet—\$25;

(b) Vessels at least 20 feet in length but less than 27 feet—\$35;

(c) Vessels at least 27 feet in length but less than 40 feet—\$50; and

(d) Vessels at least 40 feet in length—\$100.

§ 1.30-15 Evidence of fee payment.

(a) The owner or operator of each vessel subject to this subpart must pay the prescribed fee annually to the designated collection agent announced by the Coast Guard and obtain the appropriate evidence of fee payment for the fiscal year in which the vessel is to be operated.

(b) The evidence of fee payment must be securely attached to the forward half of the vessel within 6 inches of either the location of a vessel number issued under part 173 or 174 of this chapter, or, for vessels not issued a vessel number, where the number would be located, if issued.

(c) The evidence of fee payment will be valid during the fiscal year for which it is issued.

§ 1.30-30 Penalties.

(a) A person that violates this subpart by failing to pay a fee or charge established under this subpart is liable to the United States Government for a civil penalty of not more than \$5,000 for each violation.

(b) The Coast Guard may assess additional charges to a vessel owner or operator to recover collection and enforcement costs associated with delinquent payments of the annual fee.

(c) Collection of these penalties and charges would be under the provisions of subpart 1.07 of this chapter.

Dated: March 22, 1991.

J. W. Kline,

Admiral, U.S. Coast Guard, Commandant.

[FR Doc. 91-7348 Filed 3-27-91; 8:45 am]

BILLING CODE 4910-14-M

years studying American lobsters as they trot on his homemade treadmill.

He puts a custom-fitted oxygen mask over their heads, hooks some plastic wires into their hard bodies and — while they're cruising along at a kilometer an hour — measures the effects of the exercise on their cardiovascular and respiratory systems.

"When an animal is instrumented, I'm making measurements, and it's walking along the treadmill, I'm just really intrigued," Jorgensen said. "It's incredibly exciting."

The image of lobsters galloping for science may inspire a few chortles among non-academics. To Jorgensen, it represents the pursuit of knowledge at its purest.

"This is about the joy of learning about the world," the soft-spoken University of Puget Sound marine biologist says. "You learn something about how the lobster works, and you get a sense of understanding how other related animals work."

lar system.

Among the things he's learned so far: "They respond basically in a similar way you would respond if somebody put you on a treadmill. The blood pressure goes up, the amount of blood the heart pumps goes up. The differ-

ence is our hearts beat faster, their hearts beat more forcefully."

To date, the professor estimates he's spent about \$6,000 in university funds on the project. It's worth the money because ventures like his give his undergraduate students the kind of hands-on research experience often not available until graduate school, he says.

use data he's collected so far to apply for a federal government grant that would expand the research.

Why lobsters? Jorgensen, who's taught at UPS for eight years, says he's been interested in marine invertebrates for the last decade because relatively

stride — all eight spiny legs trotting along, more or less coordinated. "It takes them a little while to get used to it," the professor says.

In an actual experiment, a lobster is first fitted with an oxygen mask, walks the treadmill for about a half hour and then is monitored for the next several hours, Jorgensen says.

He worries that some will view his research as inhumane. But he says the lobsters would have ended up in a boiling pot anyway because he gets them from a seafood distributor.

Jorgensen's lobsters appear to be well treated. They have plenty of room in their holding tanks, are supplied fresh sea water, and regularly feast on salmon and cod.

When they're deemed ready for retirement, most of the lobsters are taken to the Jorgensen household where he, his family and students gather for a lobster feed. By feasting time, he says, "they really have done double duty."

...a lobster is first fitted with an oxygen mask and walks the treadmill for about a half hour.

ence is our hearts beat faster, their hearts beat more forcefully."

To date, the professor estimates he's spent about \$6,000 in university funds on the project. It's worth the money because ventures like his give his undergraduate students the kind of hands-on research experience often not available until graduate school, he says.

little is known about their physiology.

He picked the American lobster because they're easy to get, easy to monitor, and are representative of other crustaceans.

To show how the research works, Jorgensen recently took a couple of visitors into his cold storage lab. He plucked a blue and rust female lobster from her holding tank, switched on

Boaters demand repeal of fee

Ketchikan Daily News

4/27/91

WASHINGTON (AP) — Members of Congress and boating organization leaders denounced a new fee on recreational boats Wednesday, saying it discriminates against a pastime wrongly stereotyped as a preserve of the rich.

"Contrary to pervasive opinion in Washington, boaters by and large are not fat cats," Nat Stone of the National Boating Federation told the House Coast Guard and Navigation Subcommittee.

But Rear Adm. Robert T. Nelson, the Coast Guard chief of staff, defended the fee and said the Bush administration would fight its repeal.

It is "intended to require that recreational boaters bear a larger share of

the cost of existing Coast Guard programs from which they benefit," Nelson said.

Opponents fended off repeated attempts to impose a boating fee in the 1980s, but failed to block its inclusion in the deficit-reduction package enacted last fall.

The fee will be levied on an estimated 4.1 million of the 10 million boats registered in the United States that operate on waters under Coast Guard jurisdiction, exempting those less than 17 feet long.

It will range from \$25 to \$100 per vessel depending on its size. It is expected to generate \$127 million this year and \$161 million by 1995.

Subcommittee members and law-

makers testifying before the panel unanimously supported rescinding the fee. The repeal bill, sponsored by Rep. Bob Davis, R-Mich., has 157 co-sponsors. Similar legislation is pending in the Senate.

Opponents acknowledged the fee wouldn't exactly bankrupt anyone — especially owners of the 115,000 boats longer than 40 feet, who would be assessed the maximum of \$100.

But they complained that while the new levy is routinely described as a "user fee," none of the revenue would be earmarked for Coast Guard programs.

"It all disappears into that sinkhole called the federal Treasury without any assurance that the boaters or the

Coast Guard can ever expect to see the benefit of a single penny," Davis said.

No other form of recreation is singled out to raise money for the government or to defray the costs of running a federal agency, he said.

"Skydivers don't pay a tax for their sport, even though federal air traffic controllers are necessary," Davis said. "Snow skiers don't pay a tax for avalanche patrols or for rescue efforts on their behalf. Bird watchers don't pay for the benefits from the national wildlife refuges and parks."

The Coast Guard is taking public comment on proposed regulations and probably will begin collecting it this summer.