by 11 inch size limitation. This decision is based on the need to ensure that the facsimile transmission reproduces the instrument page-for-page to reduce the risk of error and to facilitate comparison of the instrument submitted by facsimile with the original instrument. Therefore, original instruments on other than 8½inch by 11-inch paper may not be submitted by facsimile for filing.

Four comments objected to the 10point type size requirement for instruments submitted by facsimile for filing. The principal complaint was that the application for documentation (CG-1258) is not in 10-point size and yet for a vessel not currently documented, an application must accompany the instrument submitted by facsimile. The 10-point type size limitation applies only to the instrument submitted by facsimile for filing, not additional documents accompanying the instrument. The purpose of the 10-point size requirement is to ensure that instruments submitted by facsimile are easily readable and capable of ready comparison with the original when received. Therefore, the 10-point type size limitation is not changed.

Three comments addressed the contents of the facsimile cover sheet. While the comments agreed with the need for the cover sheet, they suggested that the cover sheet also contain the name of the vessel, either the official number or hull identification number of the vessel, and the name(s) of the vessel owner(s). The Coast Guard agrees with these comments and the change has been made in § 67.219(e).

One comment requested that some sort of confirmation of receipt of the facsimile submission be included. The Coast Guard has decided as a matter of policy that it will provide facsimile confirmation within 24 hours of receipt of an instrument sumbitted for filing by facsimile. No change to the regulation is required by this policy determination.

One comment suggested that the word "instrument" in paragraphs (e) through (g) of § 67.219 be changed to the word 'document'' since applications for documentation can be submitted in certain situations. This suggestion appears to be based on the page and type size limitations previously discussed. These requirements are intended to assist in the accurate reproduction and readability of instruments submitted by facsimile for filing. The application form is already on 8<sup>1</sup>/<sub>2</sub>-inch by 11-inch paper, and the type size limitation does not apply. Therefore, the suggestion is not accepted. The language in the rule carefully distinguishes between

instruments and other documents which may also be submitted by facsimile.

Two comments expressed concern about the language in paragraph (f)(3) of §67.219 that the filing of an instrument submitted by facsimile will be terminated if there is "any variance" between the instrument submitted by facsimile and the original. The comments expressed concern that a transmission error of the instrument by facsimile could cause the filing to be terminated. The Coast Guard's intent is to discourage the use of the facsimile submission option to submit an instrument that is incomplete or subject to change for the purpose of reserving an early filing date and time. An instrument submitted by facsimile for filing must be a completed, executed, and acknowledged instrument to meet the requirements for filing of 46 U.S.C. 31321. However, the Coast Guard understands the concern over the term "any variance" with regard to possible facsimile transmission errors. Therefore, the term has been changed to read "any alteration" to preserve the prohibition against any intentional change of the original instrument after submission by facsimile. As explained earlier in this preamble, the Coast Guard will compare the instrument submitted by facsimile to the original instrument and will terminate the filing of an instrument submitted by facsimile if the original bears any alteration. The filing of an instrument submitted by facsimile will not be terminated for errors that are determined by comparison with the original to have been caused by transmission problems. If the filing of an instrument submitted by facsimile is terminated, the person submitting the original instrument would also be liable for the fees associated with submission of the instrument by facsimile.

Three comments addressed the proposed fee associated with submitting an instrument by facsimile for filing. One of the comments opined that the fee was too low to cover the costs to the Coast Guard. The Coast Guard has been charging user fees for vessel documentation services since January 1, 1995, when the revision to Part 67 became effective. The fee proposed for the submission of instruments by facsimile was determined by using established personnel costs and projected equipment costs, and projecting the handling time and costs for each instrument. The Coast Guard realizes that the \$2.00 per page fee may not reflect the exact cost of the program. However, the Coast Guard periodically reviews its user fees and the basis for those fees, and will make necessary adjustments as experience requires. The

\$2.00 per page fee applies only to the instrument(s) submitted by facsimile for filing and does not apply to any additional documents submitted that will not themselves be filed and recorded. Therefore, the \$2.00 per page fee does not apply to any application required by paragraph (a), or to the facsimile cover sheet required by paragraph (d).

Two of the comments regarding fees stated that the Coast Guard should provide for payment of fees by credit card and should establish payment accounts for frequent customers. While the Coast Guard does not currently permit payment of vessel documentation user fees by charge or credit card or the use of credit/debit accounts, it is exploring those options. Any change to fee payment procedures would be published in the **Federal Register**.

An amendment to the definition of the NVDC in §67.3 has been included in this rule. This amendment adds a telephone number for the NVDC.

An amendment to § 67.13 has been included in this rule. That amendment merely changes the address of the location in the Coast Guard where material incorporated by reference in part 67 may be inspected.

## **Regulatory Evaluation**

This regulation 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 section 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 (DOT) (44 FR 11040, February 26, 1979).

The Coast Guard expects the economic impact of this regulation to be so minimal that a full Regulatory Evaluation under paragraph 10e of the regulatory policies and procedures of DOT is unnecessary. The Coast Guard anticipates that optional filing by facsimile will be used only in a limited number of cases. For example, when additional financing is being negotiated; when an assignment or assumption of an existing mortgage is pending; when financing at favorable rates is time critical; or when a vessel owner desires to meet a specific sailing date and filing an instrument is critical to that date, are situations when filing by facsimile could be advantageous. Nevertheless, submission by facsimile is an optional method of presenting instruments for filing. A party may always use regular mail or personal delivery if desired. Therefore, any additional costs to the