

United States Senate

WASHINGTON, DC 20510

November 8, 2024

Admiral Linda L. Fagan
Commandant of the Coast Guard
United States Coast Guard
2703 Martin Luther King Jr Ave SE
Washington, D.C. 20593-7000

Dear Admiral Fagan:

We write to seek your help with a recent Coast Guard statutory reinterpretation that will cause states difficulty in funding and managing boating safety and related programs and increase costs for recreational boaters. As you may know, the agency decided to reverse its previous interpretation of 46 U.S.C. 12307 that had allowed states to bundle payment for the issuance of the Certificate of Number (CON) for recreational vessels with related state boating fees for search and rescue, aquatic invasive species (AIS) and other boating safety programs. Despite the fact that the prior statutory interpretation was the status quo for over 50 years, the Coast Guard informed a number of states, including ours, that this prior practice violated federal law and needed to end if states did not want to risk losing their share of the Recreational Boating Safety grant program.

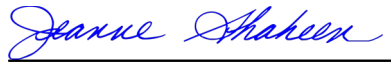
The Coast Guard's drastic decision to overturn its decades long policy when the prior interpretation was not only authorized, but also working, is truly puzzling, especially when the Coast Guard's new policy is likely to increase costs and lower revenues for critical state programs with no discernable improvements. For these reasons, we ask that the Coast Guard immediately use all available tools and authorities, including a rulemaking, to revert back to its prior interpretation to permit our states to again couple federal and state fees.

The Coast Guard's unexpected and major revision of its decades long policy would force our states to spend considerable amounts to stand up new systems to implement a separate decal system distinct from the CON. Additional financial pressure could be placed on our states because some boaters will likely choose to pay only for the CON and then decline to pay the state boating fees because they would be separate transactions. For example, Connecticut recently changed its collection of state boating fees to comply with the Coast Guard's new policy and decoupled its AIS fees from their collection of the CON. As a result, Connecticut is now projecting a 30%-35% drop in state boating fee revenue threatening critical funding for programs that ultimately help boaters access the water. This certainly could not have been the Coast Guard's intent in making this drastic change.

While the Coast Guard's policy change may appear to be a simple matter from the agency's perspective, differing state constitutions, statutes, regulations and vendor contracts make this a costly and burdensome process for our states. Therefore, we ask that the Coast Guard immediately revert to its longstanding interpretation of its statutes to allow states to once again couple payment for the CON and state boating fees.

We thank you for your consideration and look forward to your prompt response.

Sincerely,



Jeanne Shaheen
United States Senator



Mike Crapo
United States Senator



James E. Risch
United States Senator