An International HIN Nightmare

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What began as one Boat U.S. member's complaint about difficulties getting warranty service on his German built sailboat has brought to light a world of problems or, more accurately, a problem of global proportions about the official hull identification numbers (HINs) boat builders use to identify their vessels.

It all started when the owner of a brand new 2004 Hanse 411 sloop told Boat U.S. that he was having trouble getting his dealer in Milford, CT, to correct some problems that showed up at the time he took delivery. Simple, we thought. Get in touch with the manufacturer in Greifswald, Germany, or the Hanse importer here in the U.S. and, before we could whistle Danke Schoen, our member's problems would be solved.

Wrong!

When we attempted to locate the manufacturer using the U.S. Coast Guard's database, there was no match for the manufacturer's code, YZG, shown in the boat's hull identification number. As the story unfolded, it became apparent that Coast Guard has some problems with marine police and marine investigators both in the U.S. and abroad.

A word of explanation. Federal regulations require that every boat built in the U.S. must be identified by a unique 12-digit number. The Coast Guard assigns each commercial boat builder a three-letter identification code, which is followed by the boat's serial number, the date the boat was certified to meet manufacturing regs and its model year. Numbers must be placed on the starboard side of the transom and in a hidden spot inside the boat. The HIN rules enable manufacturers to identify boats in the event of a defect recall. It is illegal to alter a boat's HIN once it has left the place where it was built.

Although HINs can help identify lost or stolen boats, it is difficult to track stolen boats once they cross state lines or national borders. A U.S.-wide Vessel Identification System similar to the decades-old National Crime Investigation Center database for cars and heavy equipment has never been established because each state collects different boat data and, authorities say, it would be impossible to compile comprehensive information.

Back to the Hanse 411. A Coast Guard spokesman told BoatU.S. that the agency had been trying to work with the German builder. "They have to establish an agent in this country," he said, so that the Coast Guard can assign them a U.S. manufacturer's code. It appears the German boats are coming into the U.S. through the Hanse distributor in British Columbia. U.S. customs agents mistakenly assume Hanse boats are Canadian-built because the manufacturer's identification code, YZG, starts with the letter "Y," which the Coast Guard assigns to boats built in Canada for importation here.

So, if you are wondering where the YZG code came from and how a boat owner would go about locating an overseas manufacturer in the event of serious safety defects, you're on the right track. And if all of this has the whiff of a significant security lapse, you are getting close to the heart of the problem.

With the creation of the European Union and with the expansion of the world-wide market for recreational boats, builders in about 70 countries--including some in the U.S.--have adopted manufacturing standards developed by the International Organization for Standardization, or ISO, for short ("ISO" means "equal" in Greek). Embedded in ISO is a HIN standard that is identical to the 12-digit system used here in the U.S. Some builders add a two-letter country of origin code to the HINs, for example, "US" for boats built in this country. Apparently, this wasn't the case with the Hanse 411 number.

"This is definitely a problem!" said a Coast Guard spokesman. "All those EU countries are now assigning manufacturer's codes which of course duplicate ours. [Hanse] was assigned 'YZG' by the German authorities. We are seeing boats coming in from all over the world with manufacturer identification codes assigned by their country of origin.

"This is giving us and state law enforcement people fits," he said. "At first glance, they look like valid HINs, in fact, they are valid HINs according to ISO. But when you run the manufacturer's code, they look suspicious. Some people have actually had their boats impounded by the cops until it gets straightened out."

This naturally raises the question of why the Coast Guard doesn't favor expanding the HIN format, as has been urged by state marine police and insurance investigators for over 15 years. Both the National Association of Boating Law Administrators (NASBLA) and the International Association of Marine Investigators (IAMI) favor adopting a 17-digit format similar to the uniform Vehicle Identification Number (VIN) format used worldwide for automobiles. The format would include information about the boat's country of origin, its design and hull material, as well as a "check digit" to prove authenticity.

"The boat manufacturers can't get the 12-character HIN right," we were told by the Coast Guard spokesman. "Can you imagine if we add five more characters? When we count violations every year, HINs are always number one."

"Changing over to a 17-digit number appears to be manageable, given the right set of circumstances," counters Dave Marlow, quality control director for Brunswick, parent company of Sea Ray, Bayliner and a number of other builders. "It is not a large leap for some boat makers, in fact, we are currently up to 14 digits [i.e., regular 12-digit HIN plus a two-digit country code] with the international requirements."

He adds, "Many brands in the Brunswick Boat Group also emboss additional information on their transoms, such as model designations and hull ID numbers. This is evidence that we are used to controlling a lot of information in that area.

"One of the questions for the industry is whether existing computer operating systems can accommodate a 17-digit HIN, along with the two additional country code characters required by ISO," Marlow says. "If current computer capacity is insufficient, that could mean significant investments to upgrade those systems."

But, if a 17-character HIN is what is required to sell boats in foreign countries, it stands to reason that manufacturers will figure out how to comply.

"There would be a learning curve at first, but those concerns seem to be counter to significant support for the measure being offered for the additional identifiers by law enforcement officials and marine investigators," says Marlow.

"A National Boating Safety Advisory Council (NBSAC) subcommittee has been set up to discuss the suggested format," Marlow says. Members of the subcommittee come from the Council, the National Association of Boating Law Administrators, the International Association of Marine Investigators, the ISO group responsible for the standard on HINs, the American Boat & Yacht Council, the Coast Guard and the National Marine Manufacturers Association. "The main challenge they have is how to make sure if the change is made, it is agreed upon worldwide," Marlow concludes.

If adopted, manufacturers would be given a date, probably several years in advance, by which they would need to comply with the new requirements. Older boats with different HIN formats would be grandfathered.

"The HIN issue has become a nightmare because the Coast Guard will not make a ruling on a 17-digit format," according to Karlton Kilby, president of IAMI and director of the BoatU.S. Seaworthy insurance program. "If they did, ISO would follow suit.

"The EU is having a tough time with stolen boats being remarketed or used for committing other crimes. The problem is so bad that ISO and the German government have decided to implement a new numbering format, with the thought that it would certainly be better than what is now in place. The 12-digit HIN seems to be making things worse globally."

His comments are echoed by Fred Messman, Nevada boating law administrator and president of NASBLA, who says HIN expansion will aid in law enforcement, identifying lost or stolen vessels and in accident reporting. In a letter to the Coast Guard, Messman wrote, "The present 12-character HIN has been outdated and obsolete in our global marketplace."

The Coast Guard does not support modifying HIN format, Messman told BoatU.S. "It never has and, even when Congress told them to do it, it has not been a priority to get it done."

"The Coast Guard's excuse that manufacturers wouldn't comply is because the current inspection system is also inadequate, which is not necessarily their fault, due to lack of funding like everything else," he commented. "The old argument that manufacturers are unwilling has been rebuked.

"Even [the Coast Guard's] flawed cost benefit study said it would cost less than a dollar per boat for companies to make the changes," Messman concludes.

Following the September 11 attacks and the transfer of the U.S. Coast Guard to the Department of Homeland Security, a significant portion of Coast Guard resources has been devoted to protecting the nation's ports, coastlines and shipping from attack. Making it easier to identify boats by expanding the current HIN requirements seems like a logical security measure. And, it could also be a big help for folks who just want to protect their investments.