



NAUTICAL NOTES

FEBRUARY 2009

IMPROVED TECHNOLOGY MAY LEAVE BOATERS STRANDED

As of Feb. 1, 2009 the National Oceanic and Atmospheric Administration will stop using its satellites to monitor the 121.5 MHz frequency used by older analog boater distress beacons. Much like callers dialing 911 and getting no answer, boaters could end up stranded if they haven't upgraded their emergency distress beacons.

The NOAA and the U.S. Coast Guard, which responds to maritime distress calls, will instead limit their watch to newer digital signals coming across the 406 MHz frequency. This change will supposedly speed rescues and spare agencies from many false alarms.

Distress signals today come from devices known as Emergency Position Indicating Radio Beacons, or EPIRBs (pronounced EE'-purbs). Signals to NOAA satellites from such devices have been used to rescue more than 11,000 people since the program began in 1982.

For recreational boaters, EPIRBs are not mandatory equipment like life vests, but they are considered a good idea for anyone boating alone or beyond the sight of land. They are required in commercial vessels operating more than three nautical miles offshore.

Just like the switch over to digital TV this year, the changeover to digital EPIRBs has been in the works for years. Analog beacons have been banned from sale for the past two years, and NOAA and Coast Guard officials hope the lengthy transition period and a public awareness campaign about the Feb. 1 changeover will have delivered the message.

"More and more recreational boaters have the digital ones," said Lake Erie fishing guide Pat

Chrysler, who operates a charter boat in Ohio. "All of us passenger-carrying boats have had them for six years now."

Anyone calling for help with an older EPIRB after February 1, might still get help if their signal is picked up by a passing airplane because 121.5 MHz remains an aviation distress channel. But without the satellite monitoring of that channel, recreational boaters with an old beacon will not get the response they've come to expect, leading to the obvious danger of being stranded – or worse.

Although the initial upgrade leaves room for error, the switch is ideal for rescuers. Over the years, they have responded to thousands of false alarms generated by microwave ovens, ATMs, sports scoreboards and other sources of analog electronic clutter. Currently, only two in 1,000 of the analog alerts are real.

Besides being less prone to false alarms, digital signals should sharply narrow a search area because the digital signals are more powerful and can be instantly detected by satellite.

The end of 121.5 MHz monitoring is eagerly awaited in Boston, where the Coast Guard's First District headquarters responds to maritime distress calls from the U.S.-Canadian border to Toms River, N.J.

"There's going to be a lot less clutter on my desk," said Rick Arsenault, who oversees the Boston center. He noted that the new beacons can be registered in a database that will give rescuers instant access to a boater's name and cell phone number.

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Beacon upgrade continued... "I can launch a Falcon (jet) at \$6,000 an hour to begin searching an area ... or I can make a phone call for 38 cents and solve the same case in three minutes," Arsenault said. "That's just one case, but multiplying it across other districts across the country, it's a big dollar savings."

The distress signals go up to a network of nine NOAA satellites, which also monitor weather patterns. They are relayed to a command center in Suitland, MD, before being farmed out to Coast Guard and Air Force search and rescue centers across the country.

Unfortunately EPIRBs are not cheap. The \$400 to \$1,000 price has discouraged some cost-conscious boaters from making the switch. Hopefully like all progressive technology pricing will begin to lower. In the meantime, spreading the message of the beacon upgrade is highly important and as always, staying safe on the water will help prevent any need for aid.

MOST POPULAR BOAT NAMES OF 2008

1. Happy Hour
2. Carpe Diem
3. Aqua - Holic
4. State of Mind
5. Anchor Management
6. Serenity Now
7. Feelin' Nauti
8. Yes Dear
9. Sundance
10. The Office



ATTENTION BOAT OWNERS: FEDERAL TAX BENEFITS AVAILABLE

Recreational boat owners who paid state sales taxes on a boat purchase, or those who secured a bank loan to finance a boat, may have some tax deductions available when filing their 2008 federal income tax return.

For boat owners who paid substantial state sales taxes on a new or used boat purchase last year, the Tax Extenders Act of 2008 signed by President Bush on October 3 continues to offer a federal tax benefit with a deduction for state sales taxes. Boaters must choose either the state sales tax deduction or state income tax deduction on their federal tax return -- you cannot take both.

In addition, to take the state sales tax deduction, the sales tax on a boat purchase must be applied at the same tax rate as the state's general sales tax. In order to claim the sales tax deduction, tax returns must be itemized. State sales taxes are entered on IRS form Schedule A, line 5b.

For those owners with a secured boat loan, mortgage interest paid on the loan may be deductible from your federal income taxes. Taxpayers may use the "second home" mortgage interest deduction for one primary home and one second

home and must itemize deductions on their returns. A boat is considered a second home for federal tax purposes if it has a galley, a head, and sleeping berth.

Some boaters may be unaware of this potential tax benefit because not all lending institutions send borrowers an Internal Revenue Service form 1098 which reports the interest paid. Not receiving the form does not preclude taking the deduction. If a 1098 is not available, boaters should contact their lender for the amount of interest paid and should enter it on line 11 on Schedule A along with the lender's tax ID number. If a form 1098 is sent, boaters should simply enter the amount on line 10 of Schedule A.

Unfortunately, for those who fall under the Alternative Minimum Tax, most deductions are unavailable as taxes are calculated differently. Boaters are urged to contact a tax preparer or financial advisor for more information.

For more details on the mortgage deduction, go to <http://www.irs.gov> and download Publication 936 or the Fact Sheets. For state tax deduction information download Publication 600, which also includes state-by-state tax tables.

THE RIGHT QUESTIONS TO ASK WHEN BUYING A BOAT

As one of the most enjoyable leisure activities, boating can sure be complicated. Whether you are a first time buyer or a veteran, there are a lot of factors to consider when buying a boat. After all, you don't want the best two days of owning your boat to be the day you buy it and the day you sell it!

In order to avoid this cliché, ask the following questions:

What will I be doing in the boat 80 percent of the time?

Unfortunately, there is no boat that can do it all. So, when answering this question you need to be specific. For example, if your answer is "I will be fishing," will it be inshore or offshore? If you answer inshore, what are you going to target? How many people will be going with you? etc. This is a critical question that you will need to be sure about.

What will my budget be?

The best way to go about it is to look at ranges such as \$20,000 to \$25,000 or if you are going to finance a boat, look at a payment range like \$250-\$350 a month. By doing this, it will allow you to determine whether you should buy used or new. It will also narrow your search and keep you from getting attached to

boats you just can't afford.

If you decide to buy used, consider the condition of the boat as well as your experience with maintenance. Make sure you still have warranty options available. The last thing you want is to save money on a used boat, just to have it in the shop because of problems you can't fix alone and worse, can't afford.

Who am I purchasing my boat from?

What other services will they provide after your purchase? Most dealers have great service departments and give discounts to their clients. That is not always an option when you buy directly from a boat owner.

However, watch out for dealers that smear other brands or dealerships. You want to deal with someone who has

nothing to offer but positive information when it comes to helping you find the right boat. Most manufactures these days are building great products. A good way to see if a boat/motor builder stands behind its product is by asking the dealer how the manufacturer pays its warranty bills and how quickly they react to problems. If the manufacturer pays the dealer full shop rate then you can be assured of good service on your new boat.

Can I See References?

Don't be afraid to get references. Speak to people who have bought from the same dealership/sales source. Find out if they are true boaters themselves and are qualified enough to answer your questions and service your needs accurately.



FEBRUARY NBOA EVENTS

- February 4 - 8 Atlantic City International Power Boat Show
- February 11 - 15 St. Louis Boat Show
- February 12 - 16 Miami International Boat Show
- February 14 - 22 New England Boat Show