Jan. 31, 1973

To: T. P. Putnam

From: Glenn L. Rigby

Subject: Definition of Term "Ship" Under Section 6023

The question has just been posed by the Marysville District office as to what is meant by the word "ship" in Section 6023. Their specific problem involves leases of motor boats and houseboats.

In general, paragraph (b) (1) of Regulation 1661 limits the term mobile transportation equipment to items of property that are commonly used for transporting persons or property substantial distances. Accordingly, it is our opinion that we must interpret the word "ship" to mean only that type of equipment that is commonly used for transporting persons or property substantial distances. Of course, a row boat or small boat would not come within this type of classification.

In an effort to get some footage or tonnage guidelines that may be of some use to us, I talked to Commander M. D. Henderson of the San Diego Coast Guard on January 22 for several hours. Although the Coast Guard does document commercial vessels weighing 5 net tons, there is no similar required documentation of vessels that are used for noncommercial purposes. A rough rule of thumb in determining whether a boat meets the 5 net ton rule is one that is approximately 30 feet in length, 8 feet in width, and 5 feet in depth. However, the commander explained that a ship can still come under 5 net tons even if it exceeds 30 feet in length by having large toilet and wheel house areas since these areas are specifically excluded in computing the 5 net ton figure. Although he was not sure why the government by statute chose the 5 net ton limitation, he did say that a vessel any less than 30 feet in length would not, as a common practice, be used in commercial operations for carrying persons or property on the high seas or if you will substantial distances. This is mainly due to the lack of the fuel capacity. In checking the boats that are documented in San Diego, he found that the smallest one was 34 feet in length.

With the foregoing in mind, I propose that we use the 30 foot figure as a general guideline in determining whether or not a motor boat qualifies as mobile transportation equipment. This would mean that any motor boat that is 30 feet or more in length would be regarded as mobile transportation equipment.
This conclusion would not, however, require us to conclude that houseboats that are 30 feet or more in length and that are normally used on such lakes as Shasta or Trinity would be regarded as mobile transportation equipment. In my opinion, houseboats in general are not the kind of property that are designed to carry persons or property substantial distances. They are normally used in lakes or bays and therefore should be treated like pilot or tug boats.

I would appreciate any thoughts you or Mr. Nunes might have in this area.

GLR: 1b

cc: Mr. Robert Nunes