

uncontained engine failure and damage to the aircraft, accomplish the following:

(a) Fan hubs with fewer than 4,000 cycles since new (CSN) on the effective date of this AD need not be inspected until accumulating 4,000 CSN. After the effective date of this AD, upon accumulating 4,000 CSN, perform the requirements of paragraph (b) of this AD.

(b) For fan hubs with 4,000 CSN, accomplish the following:

(1) For fan hubs identified by serial numbers (S/Ns) in Appendix A of PW Alert Service Bulletin (ASB) No. A6272, dated September 24, 1996, inspect for cracks in accordance with the initial inspection intervals of Table 1 of this AD, in accordance with the Accomplishment Instructions, Paragraph A, Part 1, and, if applicable, Paragraph B, of PW ASB No. A6272, dated September 24, 1996.

(i) Fan hubs that have been initially inspected in accordance with paragraph (b)(1) of this AD must be reinspected in accordance with the reinspection requirements of the schedule selected for initial inspection.

(ii) Reinspect for cracks in accordance with the reinspection intervals of Table 1 of this AD in accordance with the Accomplishment Instructions, Paragraph A, Part 1, and, if applicable, Paragraph B, of PW ASB No. A6272, dated September 24, 1996.

TABLE 1

Initial Inspection	Reinspection
1. Within 1,050 cycles in service (CIS) after the effective date of this AD, or prior to accumulating 5,050 CSN, whichever occurs later.	After accumulating 2,500 CIS since last inspection, but not to exceed 6,000 CIS since last inspection.
2. Within 990 CIS after the effective date of this AD, or prior to accumulating 4,990 CSN, whichever occurs later.	After accumulating 2,500 CIS since last inspection, but not to exceed 8,000 CIS since last inspection.
3. Within 965 CIS after the effective date of this AD, or prior to accumulating 4,965 CSN, whichever occurs later.	After accumulating 2,500 CIS since last inspection, but not to exceed 10,000 CIS since last inspection.

(2) For fan hubs with S/Ns not listed in Appendix A of PW ASB No. A6272, dated September 24, 1996, inspect at the next time the fan hub is in the shop at piece-part level, but not to exceed 10,000 CIS after effective date of this AD in accordance with the Accomplishment Instructions, Paragraph A, Part 2, and, if applicable, Paragraph B, of PW ASB No. A6272, dated September 24, 1996.

(3) Remove from service fan hubs found cracked or exceed the bushed hole acceptance criteria in accordance with PW ASB No. A6272, dated September 24, 1996, and replace with serviceable parts.

(c) Report findings of cracked fan hubs within 48 hours after inspection to Robert

Guyotte, Manager, Engine Certification Branch, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803-5299; telephone (617) 238-7142, fax (617) 238-7199; Internet:

Robert.Guyotte@faa.dot.gov. Reporting requirements have been approved by the Office of Management and Budget and assigned OMB control number 2120-0056.

(d) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Engine Certification Office. The request should be forwarded through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Engine Certification Office.

Note: Information concerning the existence of approved alternative methods of compliance with this airworthiness directive, if any, may be obtained from the Engine Certification Office.

(e) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the aircraft to a location where the requirements of this AD can be accomplished.

Issued in Burlington, Massachusetts, on September 27, 1996.

James C. Jones,

*Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.*

[FR Doc. 96-25596 Filed 10-3-96; 8:45 am]

BILLING CODE 4910-13-U

## DEPARTMENT OF THE TREASURY

### Customs Service

#### 19 CFR Part 10

RIN 1515-AB79

#### Use of Containers Designated as Instruments of International Traffic in Point-to-Point Local Traffic

**AGENCY:** U.S. Customs Service, Department of the Treasury.

**ACTION:** Proposed rule.

**SUMMARY:** This document proposes to amend the Customs Regulations to provide that certain containers which are designated as instruments of international traffic are deemed to remain in international traffic provided they exit the United States within 365 days of the date on which they are admitted to the U.S. For the importing community as well as Customs, this proposal would greatly simplify the treatment of containers for Customs purposes regardless of their use in domestic commerce.

**DATES:** Comments must be received on or before December 3, 1996.

**ADDRESSES:** Written comments (preferably in triplicate) must be

submitted to the U.S. Customs Service, ATTN: Regulations Branch, Franklin Court, 1301 Constitution Avenue, NW., Washington, D.C. 20229, and may be inspected at the Regulations Branch, 1099 14th Street, NW., Suite 4000, Washington, DC.

#### FOR FURTHER INFORMATION CONTACT:

*Legal aspects:* Glen E. Vereb, Entry and Carrier Rulings Branch, (202-482-6940).

*Operational aspects:* Eileen A. Kastava, Cargo Control, (202-927-0983).

#### SUPPLEMENTARY INFORMATION:

##### Background

Section 141.4, Customs Regulations (19 CFR 141.4), provides that all merchandise imported into the United States is required to be entered, unless specifically exempted. Section 141.4(b)(3) provides an exception for instruments of international traffic as described, and under the conditions provided for, in § 10.41a, Customs Regulations (19 CFR 10.41a).

Pursuant to 19 U.S.C. 1322, vehicles and other instruments of international traffic shall be excepted from the application of the Customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

The Customs Regulations issued under the authority of 19 U.S.C. 1322 are contained in § 10.41a. Section 10.41a(a)(1) designates as instruments of international traffic lift vans, cargo vans, shipping tanks, skids, pallets, caul boards, and cores for textile fabrics in use or to be used in the shipment of merchandise in international traffic.

Section 10.41a(a)(1) also authorizes the Commissioner of Customs to designate as instruments of international traffic such additional articles or classes of articles as he shall find should be so designated. Instruments so designated may be released without entry or the payment of duty, subject to the provisions of § 10.41a. Instruments so designated are also stated to be duty-free in subheading 9803.00.50, Harmonized Tariff Schedule of the United States.

Section 10.41a(d) provides that if an instrument of foreign origin which has been increased in value or improved in condition by a process of manufacture or other means while abroad is released under § 10.41a and is subsequently diverted to point-to-point local traffic within the United States, or is otherwise withdrawn from its use as an instrument of international traffic, it becomes subject to entry and the payment of any applicable duties.

Nevertheless, § 10.41a(f) states in effect that, except for the application of the coastwise trade laws (see § 4.93, Customs Regulations (19 CFR 4.93)), no part of § 10.41a precludes (1) the use of an instrument in picking up and delivering loads at intervening points in the United States while en route between the port of arrival and the port of destination of its imported cargo, (2) the use of an instrument while en route from such point of destination of imported cargo to a point where export cargo is to be loaded or to an exterior port of departure by a reasonably direct route to, or nearer to, the place of such loading or departure, or (3) the use of a "container" as defined in the Customs Convention on Containers (together with its normal accessories and equipment if imported therewith), when such container arrives empty while en route between the port of arrival and a point where export cargo is to be loaded or from that point to an exterior port of departure by a reasonably direct route to, or nearer to, the place of such loading or departure, provided that such point-to-point traffic is incidental to the efficient and economical utilization of the instrument in the course of its use in international traffic.

Section 10.41a(f) also makes clear that none of the uses enumerated above constitutes a diversion to unpermitted point-to-point local traffic within the United States or a withdrawal of an instrument from its use as an instrument of international traffic.

It is proposed to amend § 10.41a(f) so as to apply only to instruments of international traffic other than containers as defined in the Customs Convention on Containers. Permitted domestic traffic in containers which are instruments of international traffic would be addressed in a proposed new § 10.41a(g). Current paragraphs (g), (h) and (i) of § 10.41a would be redesignated as paragraphs (h), (i) and (j), respectively.

The proposed new paragraph (g) of § 10.41a would provide that containers, as defined in Article 1 of the Customs Convention on Containers (1972), are deemed to remain in international traffic provided they exit the U.S. within 365 days of the date on which they are admitted to the U.S. This would be so regardless of the fact that the containers may engage in point-to-point local traffic within the United States. An exit from the U.S., for purposes of this provision, would be defined as a movement across the border of the United States into a foreign country where either:

(1) All merchandise is unladen from the instrument of international traffic; or

(2) Merchandise is laden aboard the instrument of international traffic (if the instrument of international traffic is empty).

Furthermore, the person who filed the application for release under § 10.41a(a)(1) would be responsible for keeping and maintaining such records as would be necessary to establish the international movements of the instruments of international traffic. Such records would be required to be made available for inspection by Customs officials.

Should the container not exit the U.S. within 365 days of the date on which it was admitted under § 10.41a, it would be considered to have been removed from international traffic and entry for consumption would have to be made within 10 business days after the end of the month in which the container was deemed removed from international traffic.

Should entry be required under § 10.41a, all containers removed from international traffic in the same month could be listed on one entry. The entry could be made at any port of entry. Customs may waive the invoice requirement at the time of entry and may use the value of the instrument as carried on the books of the person making entry.

Thus, in brief, the key change contained in this proposal is to allow a container (as defined in Article 1 of the Customs Convention on Containers) to engage in point-to-point domestic traffic provided that such container exits the U.S. within 365 days of the date on which it was admitted to the United States under § 10.41a. This proposal would simplify the Customs treatment of containers for both the public and Customs in that the more difficult-to-apply requirements set forth in § 10.41a(f) would no longer apply to containers.

Containers specially designed and equipped for carriage by one or more modes of transport are duty-free under subheading 8609.00.00, Harmonized Tariff Schedule of the United States. Therefore, Customs expects little or no loss of revenue to the Government under this proposal.

It is noted that the amendments proposed herein are principally the result of written requests submitted by counsel on behalf of certain carrier, leasing, shipping and container companies, and a meeting occurring between the companies' representatives, their counsel and Customs officials.

#### Comments

Before adopting the proposed amendments, consideration will be

given to any written comments that are timely submitted to Customs. Comments submitted will be available for public inspection in accordance with the Freedom of Information Act (5 U.S.C. 552), § 1.4, Treasury Department Regulations (31 CFR 1.4), and § 103.11(b), Customs Regulations (19 CFR 103.11(b)), on regular business days between the hours of 9:00 a.m. and 4:30 p.m. at the Regulations Branch, Franklin Court, 1099 14th Street, NW., Suite 4000, Washington, D.C.

#### Regulatory Flexibility Act and Executive Order 12866

As explained in the preamble, the proposed amendments would simplify the Customs treatment of containers for the importing public in that the more difficult-to-apply requirements set forth in § 10.41a(f) would no longer apply to containers. As such, pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), it is certified that, if adopted, the proposed amendments will not have a significant economic impact on a substantial number of small entities. Accordingly, the proposed amendments are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 or 604, nor would they result in a "significant regulatory action" under E.O. 12866.

#### List of Subjects in 19 CFR Part 10

Alterations, Bonds, Customs duties and inspection, Exports, Imports, Preference programs, Repairs, Reporting and recordkeeping requirements, Trade agreements.

#### Proposed Amendments

It is proposed to amend part 10, Customs Regulations (19 CFR part 10), as set forth below.

#### **PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.**

1. The general authority for part 10 would be revised, and the specific authority for § 10.41a would continue, to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Note 20, Harmonized Tariff Schedule of the United States (HTSUS)), 1321, 1481, 1484, 1498, 1508, 1623, 1624, 3314;

\* \* \* \* \*

Sections 10.41, 10.41a, 10.107 also issued under 19 U.S.C. 1322;

\* \* \* \* \*

2. It is proposed to amend § 10.41a by revising paragraph (f) to read as follows; by redesignating paragraphs (g), (h) and (i), as (h), (i) and (j), respectively; and adding a new paragraph (g) to read as follows:

**§ 10.41a Lift vans, cargo vans, shipping tanks, skids, pallets, and similar instruments of international traffic; repair components.**

\* \* \* \* \*

(f)(1) Except as provided in paragraph (j) of this section, an instrument of international traffic may be used as follows in point-to-point traffic, provided such traffic is incidental to the efficient and economical utilization of the instrument in the course of its use in international traffic:

(i) Picking up and delivering loads at intervening points in the United States while en route between the port of arrival and the point of destination of its imported cargo; or

(ii) Picking up and delivering loads at intervening points in the United States while en route from the point of destination of imported cargo to a point where export cargo is to be loaded or to an exterior port of departure by a reasonably direct route to, or nearer to, the place of such loading or departure.

(2) Neither use as enumerated in paragraph (f)(1)(i) or (ii) of this section constitutes a diversion to unpermitted point-to-point local traffic within the United States or a withdrawal of an instrument in the United States from its use as an instrument of international traffic under this section.

(g)(1) Except as provided in paragraph (j) of this section, a container (as defined in Article 1 of the Customs Convention on Containers) which is designated as an instrument of international traffic is deemed to remain in international traffic provided that the container exits the U.S. within 365 days of the date on which it was admitted under this section. An exit from the U.S. in this context means a movement across the border of the United States into a foreign country where either:

(i) All merchandise is unladen from the container; or

(ii) Merchandise is laden aboard the container (if the container is empty).

(2) The person who filed the application for release under paragraph (a)(1) of this section is responsible for keeping and maintaining such records as may be necessary to establish the international movements of the containers. Such records shall be made available for inspection by Customs officials upon reasonable notice.

(3) If the container does not exit the U.S. within 365 days of the date on which it is admitted under this section, such container shall be considered to have been removed from international traffic, and entry for consumption must be made within 10 business days after the end of the month in which the container is deemed removed from

international traffic. When entry is required under this section, any containers considered removed from international traffic in the same month may be listed on one entry. Such entry may be made at any port of entry. Customs may waive the invoice requirement at the time of entry and may use the value of the container as carried on the books of the person making entry.

\* \* \* \* \*

Dated: February 29, 1996.  
George J. Weise,  
*Commissioner of Customs.*  
Dennis M. O'Connell,  
*Acting Deputy Assistant Secretary of the Treasury.*  
[FR Doc. 96-25463 Filed 10-3-96; 8:45 am]  
BILLING CODE 4820-02-P

## Fiscal Service

### 31 CFR Part 356

#### **Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds (Department of the Treasury Circular, Public Debt Series No. 1-93); Correction**

**AGENCY:** Bureau of the Public Debt, Fiscal Service, Department of the Treasury.

**ACTION:** Proposed rule; correction.

**SUMMARY:** This document corrects typographical and technical errors in Appendix B of the proposed rule, published on Friday, September 27, 1996, FR Document Number 96-24860 (61 FR 50923). The proposed amendment to 31 CFR Part 356 makes changes necessary to accommodate the public offering of new Treasury inflation-protection securities by the Department of the Treasury.

**FOR FURTHER INFORMATION CONTACT:** Ken Papaj (Director), Lee Grandy, Chuck Andreatta or Kurt Eidemiller (Government Securities Specialists), Bureau of the Public Debt, Government Securities Regulations Staff, (202) 219-3632.

**SUPPLEMENTARY INFORMATION:** The following corrections are made to Appendix B of the proposed amendment to 31 CFR Part 356.

Appendix B to Part 356—[Corrected]

(1) On page 50933 in the first column, in the fourth sentence in paragraph A.1. of Section I, the expression “/2 =” was omitted from the end of the sentence. The sentence should read as follows: “Calculation of an interest payment for a fixed-principal security with a par amount of \$1,000 and an interest rate of

8% is made in this manner:  $(\$1,000 \times .08)/2 = \$40$ .”

(2) On page 50933 in the third column, in the first sentence of paragraph B.2. of Section I, the subscript in a term appears as “Ref CPI<sub>Date</sub>.” This term should note the subscript as follows, “Ref CPI<sub>Date</sub>.” Also, in the same paragraph, the term “Index Ratio” is stated with a lower case “r” throughout as “Index ratio.” The “r” should be capitalized to read “Index Ratio.” With these two changes the first sentence should read as follows: “The numerator of the Index Ratio, the Ref CPI<sub>Date</sub>, is the index number applicable for a specific day, and the denominator of the Index Ratio is the Ref CPI applicable for the original issue date.”

(3) On page 50933 in the second column, in paragraph B.3. of Section I, immediately under the formula, the subscript in a term appears as “Ref CPIM.” This term should note the subscript as follows, “Ref CPI<sub>M</sub>.” This statement should read as follows: “RefCPI<sub>M</sub> = Ref CPI for the first day of the calendar month in which Date falls.”

(4) On page 50935 in the third column, in the Definitions of Section III, the expression:

$$a_{n1} = (1 - v^n) / (i/2) = v + v^n + v^2 + v^3 + \dots + v^n$$

is incorrect. The first instance of “+ v<sup>n</sup>” should not have appeared. The expression should read as follows:

$$a_{n1} = (1 - v^n) / (i/2) = v + v^2 + v^3 + \dots + v^n$$

(5) On page 50935 at the bottom of the second column, in Section III, paragraph A, the resolution of a<sub>n1</sub> is incorrectly

stated as 16.34912050. This number should be 16.34912065.

(6) On page 50935 in the third column, in Section III, paragraph A, the first numerical expression for P is missing a fractional expression. Also, other intermediate equations prior to the final resolution of P have been added. The rounding of some calculations has been changed to conform with Treasury's current conventions. For a clearer understanding of the resolution, the entire resolution of paragraph A is provided in the attachment.

(7) On page 50936 in the first column, in Section III, paragraph B, the equation “v<sup>n</sup> = 1/(1 + i/2)<sup>a</sup>” is incorrect.