PV is the Present Value of the series of annual user fees to be prepaid (the net amount to be prepaid)

\[ R_0 \text{ is the published user fee of the vessel} \]
\[ i \text{ is the interest rate for } 10\text{-year Treasury notes at the time of prepayment calculation} \]
\[ \pi \text{ is the rate of inflation (based on projected military personnel costs at the time of prepayment calculation)} \]
\[ n \text{ is the total number of years to be prepaid} \]
\[ t \text{ is the number of years after prepayment of the fee, for each annual increment } (t=0, 1, 2, 3 \ldots n) \]

(d) When the annual vessel inspection fee has been prepaid, the entitlement to inspection services for the prepayment period attaches to the vessel and remains with the vessel if it is sold. The entitlement to inspection services may not be transferred to any other vessel.

(e) If a vessel is removed from Coast Guard certification and the vessel owner surrenders the vessel’s Certificate of Inspection, the owner may request a refund of the remaining prepayment amount. The annual vessel inspection fee will not be refunded for the year in which the Certificate of Inspection is surrendered. The request for refund must be submitted to the Officer in Charge, Marine Inspection to whom the Certificate of Inspection is surrendered. The Officer in Charge, Marine Inspection will endorse and forward the request to Commandant (CG-DCO-83) for decision.

§ 2.10–115 Changes in vessel service.

(a) If a vessel certificated for a single service, changes service, the annual vessel inspection fee is not adjusted during the year in which a change in service occurs. The annual vessel inspection fee for the new vessel category is payable on the vessel’s user fee anniversary date immediately following the date of the change in service.

(b) If a change in service occurs and the annual vessel inspection fee has been prepaid, Commandant (CG-DCO-83) will recalculate the prepayment