

**§ 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.*

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## 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:

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

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

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

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

It should read as follows: " $v^n = 1/(1 + i/2)^n$ ." In addition, three intermediate equations prior to the final resolution of P have been added. Further, another intermediate equation has been added prior to the resolution of  $A_{adj}$ . The equation solving for  $A_{adj}$  has also been modified. The entire resolution for paragraph B is provided in the attachment below.

Dated: October 2, 1996.

Richard L. Gregg,

*Commissioner of the Public Debt.*

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**ATTACHMENT**

A. For inflation-protection securities with a regular first interest payment period:

**Resolution:**

$$\text{Index Ratio}_{\text{Date}} = \text{Ref CPI}_{\text{Date}} / \text{Ref CPI}_{\text{Issue Date}} = 120/120 = 1$$

$$A = [(184-184)/184] \times 3/2 = 0$$

$$A_{\text{adj}} = 0 \times 1 = 0$$

$$v^n = 1/(1 + i/2)^n = 1/(1 + .031/2)^{19} = 0.74658863$$

$$a_{n|} = (1 - v^n)/(i/2) = (1 - 0.74658863)/(.031/2) = 16.34912065$$

$$P = \frac{(C/2) + (C/2)a_{n|} + 100v^n}{1+(r/s)(i/2)} - [(s - r)/s](C/2)$$

$$P = \frac{(3/2) + (3/2)(16.34912065) + 100(0.74658863)}{1+(184/184)(0.031/2)} - [(184 - 184)/184](3/2)$$

$$P = \frac{1.5 + 24.52368098 + 74.658863}{1.01550000} - 0$$

$$P = \frac{100.68254398}{1.01550000}$$

$$P = 99.145784$$

$$P = 99.146$$

$$P_{\text{adj}} = P \times \text{Index Ratio}_{\text{Date}}$$

$$P_{\text{adj}} = 99.146 \times 1 = 99.146$$

$$SA = P_{\text{adj}} + A_{\text{adj}}$$

$$SA = 99.146 + 0 = 99.146$$

B. For inflation-protection securities reopened during a regular interest period where the purchase price includes predetermined accrued interest:

**Resolution:**

$$\text{Index Ratio}_{\text{Date}} = \text{Ref CPI}_{\text{Date}} / \text{Ref CPI}_{\text{Issue Date}} = 132/120 = 1.100$$

$$v^n = 1/(1 + i/2)^n = 1/(1 + .0340/2)^{18} = 0.73828296$$

$$\begin{aligned} a_{n|} &= (1 - v^n)/(i/2) = (1 - 0.73828296)/(.0340/2) \\ &= 15.39512000 \end{aligned}$$

$$P = \frac{(C/2) + (C/2)a_{n|} + 100v^n}{1+(r/s)(i/2)} - [(s - r)/s](C/2)$$

$$P = \frac{(3/2) + (3/2)(15.39512000) + 100(0.73828296)}{1+(91/181)(0.0340/2)} - [(181 - 91)/181](3/2)$$

$$P = \frac{1.5 + 23.09268 + 73.828296}{1.00854696} - (90/181)(1.5)$$

$$P = \frac{98.420976}{1.00854696} - 0.745856$$

$$P = 97.586905 - 0.745856$$

$$P = 96.841049$$

$$P = 96.841$$

$$P_{\text{adj}} = P \times \text{Index Ratio}_{\text{Date}}$$

$$P_{\text{adj}} = 96.841 \times 1.100 = 106.5251$$

$$P_{\text{adj}} = 106.525$$

$$A = [(181-91)/181] \times 3/2 = 0.745856$$

$$A_{\text{adj}} = A \times \text{Index Ratio}_{\text{Date}}$$

$$A_{\text{adj}} = 0.745856 \times 1.100 = 0.820442$$

$$SA = P_{\text{adj}} + A_{\text{adj}} = 106.525 + 0.820442$$

$$SA = 107.345442$$