In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (31 FR 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

McDonnell Douglas. Applies to DC-10-10, -10F, -30, -30F, Series Airplanes, Incorporating General Electric CF6 Turbine Engines, Certificated in all Categories

To provide additional fire protection for the number two engine main fuel hose, in the event of fan blade fragmentation, accomplish the following:

(1) On or before December 1, 1974, unless already accomplished, install a fuel hose shield, for the number two engine per McDonnell Douglas Service Bulletin No. 71-57, or later FAA-approved revisions, or an equivalent modification approved by the Chief, Aircraft Engineering Division, FAA Western Region.

(2) Aircraft may be flown to a base for the accomplishment of the modification described in this AD, per FAR's 21.197 and 21.199.

This amendment becomes effective September 6, 1974.

(Secs. 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, and 1423) and of Section 6(c) of the Department of Transportation Act (49 U.S.C. 1655 (c)))

Issued in Los Angeles, California on August 23, 1974.

Arvin O. Basnight,
Director,
FAA Western Region.

[FR Doc.74-20320 Filed 9-3-74;8:45 am]

[Airspace Docket No. 73-SW-19]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Revocation of an Amendment to Part 71

On April 26, 1973, a notice of proposed rule making (NPRM) was published in the Federal Register (38 FR 10276) stating that the Federal Aviation Administration (FAA) was considering an amendment to Part 71 of the Federal Aviation Regulations that would realign several airways in the vicinity of Monroe, La., simultaneously with the relocation of the Monroe VORTAC.

After due consideration of all comments the FAA, on July 10, 1973 (38 FR 18363), adopted the proposed amendment with a minor modification, effective November 8, 1973. Since that time the effective date has been postponed several times because of technical problems associated with the relocation of the Monroe, La. VORTAC.

It has now become apparent that the VORTAC will not be relocated this year. For this reason the FAA concludes that the amendment should be revoked.

The revocation of the amendment, however, does not preclude the FAA from issuing similar notices or rules in the future, or commit the FAA to any course of action.

This amendment revokes a rule that was issued over one year ago but, because of subsequent delaying amendments, has never become effective. This revocation imposes no burden upon any member of the public and is in the public interest in that the attendant regulations will conform with the existing airway structure. This action, therefore, is a minor amendment in which the public is not particularly interested and notice and public procedure thereon are unnecessary. However, in the interest of achieving that conformity at an early date, it may become effective on September 4, 1974.

In consideration of the foregoing, effective September 4, 1974, the amendment to Part 71, as published July 10, 1973, in the Federal Register (38 FR 18363) as Airspace Docket No. 73-SW-19, is revoked.

(Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)))

Issued in Washington, D.C., on August 28, 1974.

Charles H. Newpol,
Acting Chief, Airspace and
Air Traffic Rules Division.

[FR Doc.74-20323 Filed 9-3-74;8:45 am]

[Airspace Docket No. 74-WA-4]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Revocation of an Amendment to Part 71

On February 1, 1974, FR Doc. 74-2675 was published in the Federal Register (39 FR 4075) amending Part 71 of the Federal Aviation Regulations, by redescribing V-69 and V-69W between Shreveport, La., and El Dorado, Ark., effective May 23, 1974. These airways were based in part on relocation of the Monroe, La., VORTAC. Technical problems associated with commissioning of the Monroe VORTAC at the new location has caused the effective date of that amendment to be postponed several times.

It has now become apparent that the VORTAC will not be relocated this year. For this reason the Federal Aviation Administration (FAA) concludes that the amendment should be revoked.

The revocation of the amendment, however, does not preclude the FAA from issuing similar notices or rules in the future, or commit the FAA to any course of action.

This amendment revokes a rule that was issued over six months ago, but because of subsequent delaying amendments, has never become effective. This revocation imposes no burden upon any member of the public and is in the public interest in that the attendant regulations will conform with the existing airway structure. This action, therefore, is a minor amendment in which the public is not particularly interested and notice and public procedure thereon are unnecessary. However, in the interest of achieving that conformity at an early date, it may become effective on September 4, 1974.

In consideration of the foregoing, effective September 4, 1974 the amendment to Part 71, published February 1, 1974, in the Federal Register (39 FR 4075) as Airspace Docket No. 74-WA-4, is revoked.

(Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)))

Issued in Washington, D.C. on August 28, 1974.

Charles H. Newpol,
Acting Chief, Airspace and
Air Traffic Rules Division.

[FR Doc.74-20321 Filed 9-3-74;8:45 am]

[Airspace Docket No. 74-NW-11]

PART 75—ESTABLISHMENT OF JET ROUTES AND AREA HIGH ROUTES

Alteration of Jet Routes

On July 1, 1974, a notice of proposed rule making (NPRM) was published in the Federal Register (39 FR 24238) stating that the Federal Aviation Administration (FAA) was considering an amendment to Part 75 of the Federal Aviation Regulations that would alter three jet routes in the Olympia, Wash., area.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. Two comments received were favorable. The Department of the Navy objected to the proposed alteration of Jet Route 54 on the basis that the route would transit airspace over the Olympic Peninsula currently used by the U.S. military for flight training and would have a serious derogatory effect on those activities.

The agency agrees that the route would transit airspace used by the military for flight training activities. However, the airspace in question is within area positive control airspace and ATC would provide separation service between aircraft on Jet Route 54 and all other air traffic including military training activities in the area. Accordingly, air traffic on Jet Route 54 could be recleared and rerouted if required to provide separation from military activities in the area. The agency does not agree therefore, that the proposed alteration to Jet Route 54 would have a derogatory effect on military flight operations.

In consideration of the foregoing, Part 75 of the Federal Aviation Regulations is amended, effective 0901 GMT, November 7, 1974, as hereinafter set forth.

Section 75.100 (39 FR 699-14585) is amended as follows:

1. In J-34: "Jet Route No. 34 (Seattle, Wash.; to Westminster, Md.) From Seattle, Wash., via Ephrata, Wash.; Helena, Mont." is deleted and "Jet Route No. 34 From Hoquiam, Wash., via Olympia, Wash., Moses Lake, Wash.; Helena, Mont.;" is substituted therefor.

2. J-54 is revised to read as follows: "Jet Route No. 54 From Pendleton, Oreg., via Olympia, Wash.; to Neah Bay, Wash., NDB."

3. J-126 is revised to read as follows: "Jet Route No. 126 From Los Angeles, Calif., via the INT of the Los Angeles 319° and the Avenal, Calif., 145° radials; Avenal; Stockton, Calif.; Sacramento, Calif.; Red Bluff, Calif.; Medford, Oreg.; Eugene, Oreg.; Newberg, Oreg.; Olympia, Wash.; to Vancouver, British Columbia, Canada."

(Sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348(a)) and sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)))

Issued in Washington, D.C., on August 28, 1974.

CHARLES H. NEWPOL,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.74-20322 Filed 9-3-74;8:45 am]

CHAPTER II—CIVIL AERONAUTICS BOARD

SUBCHAPTER A—ECONOMIC REGULATIONS

[Regulation ER-872, Amdt. 29]

PART 288—EXEMPTION OF AIR CARRIERS FOR MILITARY TRANSPORTATION

Reasonable Level of Compensation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., August 29, 1974, effective August 1, 1974.

In accordance with established procedures and methodology, the Board has completed its review of commercial fuel prices for foreign and overseas MAC air transportation services as of August 1, 1974, and is herein amending the surcharge provisions in Part 288 of its Economic Regulations (14 CFR Part 288) applicable to the rates established for those services.[1]

We have reviewed reported fuel price changes as of August 1, 1974, compared to average fuel prices during the base year ended December 31, 1973. These comparisons are set out in Appendices A and B.[2] On the basis of these results, we will adjust the fuel surcharge rates as follows: the long-range Category B and the Category A rate from 11.94 to 11.60 percent, the Pacific interisland short-range Category B rate from 2.60 to 2.59 percent, and the "all other" short-range Category B rate from 5.79 to 4.38 percent, to be effective retroactively to August 1, 1974.

Under established procedures, surcharge rates resulting from our monthly review of commercial fuel prices are made effective as adjusted final rates, retroactive to the first day of the month under review, and as temporary surcharge rates (subject to final adjustment) for the period commencing on the first day of the following month. Accordingly, we find good cause exists to make the within final and temporary rates effective on less than thirty (30) days' notice.

In consideration of the foregoing, the Board hereby amends Part 288 of its Economic Regulations (14 CFR Part 288) as follows:

1. Section 288.7 is amended in the second proviso following the tables in paragraph (a)(1), and in the proviso in paragraph (d)(2), as set forth below.

§ 288.7 Reasonable level of compensation.

* * * * *

(a) * * *

(1) * * *; *And, provided further,* That (i) effective August 1 through August 31, 1974, the total minimum compensation pursuant to the rates specified in paragraph (a)(1) of this section for (*a*) services performed with regular jet, wide-bodied jet and DC-8F-61-63 aircraft, (*b*) Pacific interisland services performed with B-727 aircraft, and (*c*) all other services performed with B-727 aircraft shall be further increased by surcharges of 11.60 percent, 2.59 percent and 4.38 percent, respectively; and, (ii) on and after September 1, 1974, the total minimum rates specified in paragraph (a)(1) of this section for (*a*) services performed with regular jet, wide-bodied jet and DC-8F-61-63 aircraft, (*b*) Pacific interisland services performed with B-727 aircraft, and (*c*) other services performed with B-727 aircraft shall be further increased by temporary surcharges of 11.60 percent, 2.59 percent and 4.38 percent, respectively, subject to amendment (upward or downward) upon final determination by the Board.[3]

* * * * *

(d) * * *

(2) * * *

Provided, however, That (i) effective August 1 through August 31, 1974, the total minimum compensation specified in paragraphs (d)(1) and (d)(2) above shall be further increased by a surcharge of 11.60 percent; and, (ii) on and after September 1, 1974, the total minimum compensation specified in paragraphs (d)(1) and (d)(2) above shall be further increased by a temporary surcharge of 11.60 percent, subject to amendment (upward or downward) upon final determination by the Board.

* * * * *

(Secs. 204, 403 and 416 of the Federal Aviation Act of 1958, as amended; 72 Stats. 743, 758 and 771, as amended (49 U.S.C. 1324, 1373 and 1386))

By the Civil Aeronautics Board:

[SEAL] EDWIN Z. HOLLAND,
Secretary.

[FR Doc.74-20352 Filed 9-3-74;8:45 am]

[1] ER-869, July 31, 1974.

[2] Appendices A and B filed as part of the original document.

[3] The surcharge provisions for services performed with B-727 aircraft will be applied to all other common-rated aircraft types.

SUBCHAPTER D—SPECIAL REGULATIONS

[Regulation SPR-79, Amdt. 7]

PART 372a—TRAVEL GROUP CHARTERS

Statements of Charges; Editorial Amendment

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., August 29, 1974, effective September 24, 1974.

By SPR-78, effective August 12, 1974, the Board amended Part 372a of its Special Regulations (14 CFR Part 372a), which sets forth the Travel Group Charters (TGC) rule, by revising various of its restrictions. Among the revised restrictions were: (1) The elimination of the standby list for eligible assignees of participants and, instead, permitting the interests of original participants to be assignable to the general public; and (2) the reduction of the deadline for filing the list of original participants from 90 to 60 days prior to the scheduled departure date.

Through inadvertence, SPR-78 did not include the necessary revision of § 372a.28(b) so as to reflect the above-described substantive rule changes. The purpose of this amendment is to cure the inadvertent omission.

This editorial amendment is issued by the undersigned pursuant to a delegation of authority from the Board to the General Counsel in 14 CFR 385.19 and shall become effective on September 24, 1974. Procedures for review of this amendment by the Board are set forth in Subpart C of Part 385 (14 CFR 385.50 through 385.54).

Accordingly, the Board hereby amends § 372a.28 by revising paragraph (b) to read as follows:

§ 372a.28 Statements of charges.

* * * * *

(b) All such announcements, statements, or solicitation material shall identify the carrier(s) and the type of aircraft to be used for the charter, and shall state that for a person to be eligible to be a passenger on a charter flight, he must either be included in the list to be filed no later than sixty (60) days before flight departure or be the assignee of a charter participant so listed.

* * * * *

(Sec. 204(a), Federal Aviation Act of 1958, as amended; 72 Stat. 743; (49 U.S.C. 1324) Reorganization Plan No. 3 of 1961, 75 Stat. 837, 26 FR 5989; (49 U.S.C. 1324 (note)))

By the Civil Aeronautics Board:

[SEAL] THOMAS J. HEYE,
General Counsel.

[FR Doc.74-20351 Filed 9-3-74;8:45 am]

Title 19—Customs Duties

CHAPTER I—UNITED STATES CUSTOMS SERVICE

[T.D. 74-227]

CUSTOMS BONDS

Miscellaneous Amendments

On September 17, 1973, a notice of proposed rulemaking pertaining to a revision of the Customs Regulations relating to Customs bonds was published in the FEDERAL REGISTER (38 FR 25995). Pursuant to this revision, a new part of the regulations, Part 113, entitled "Customs Bonds," would be added to the Customs Regulations, revising and replacing Part 25. This revision is part of the overall revision of the Customs Regulations, which includes a rearrangement of the sequence of parts in Chapter I, Title 19, of the Code of Federal Regulations.

Previously, on July 20, 1973, Treasury Decision 73-197, which amended Part 25 of the Customs Regulations to permit the establishment of the Automated Bond Information System (ABIS) for certain Customs term bonds, was published in the FEDERAL REGISTER (38 FR 19361). On January 31, 1974, Treasury Decision 74-49 was published in the FEDERAL REGISTER (39 FR 3932) and amended the new provisions relating to the Automated Bond Information System to permit an importer submitting a bond on Customs Form 7553 for the first time to submit that bond and the accompanying bond transcript on, or at any time before, the effective date of the bond. None of these amendments were included in the notice of proposed rulemaking of September 17, 1973, setting forth the proposed revision of the Customs Regulations relating to Customs bonds. In order to incorporate the changes made by Treasury Decisions 73-197 and 74-49, the following changes have been made in the revised provisions originally proposed:

(1) Sections 113.26(a) and 113.62(b)(3) have been deleted inasmuch as these provisions have been invalidated by the new Automated Bond Information System procedures.

(2) Section 113.26(b), relating to the distribution to various ports of copies of blanket smelting and refining bonds, has been placed in a separate new section, § 113.27.

(3) A new § 113.26, entitled "Bond transcript for certain term bonds," now sets forth the procedure for handling the term bonds included in the Automated Bond Information System.

(4) Section 113.14(k)(2) has been changed to specify that the minimum amount of the Term Bond for Temporary Importation, Customs Form 7563-A, is $10,000. Under the Automated Bond Information System procedure, this bond is valid at all ports of entry.

On November 8, 1973, Treasury Decision 73-312, which amended, among other provisions of the Customs Regulations, § 25.18(a) relating to extensions of time for compliance with bond requirements and stipulations, was published in the FEDERAL REGISTER (38 FR 30882). In order to incorporate this change in the revised provisions relating to Customs bonds, § 113.43(a) has been changed to provide for the inapplicability of that section to invoices or documents required to be produced within 2 months of the transaction date in accordance with § 141.61(e) of the Customs Regulations.

After consideration of the comments received in response to the notice of proposed rulemaking of September 17, 1973, setting forth the proposed revision of the Customs Regulations relating to Customs bonds, the following additional changes have been made in the provisions originally proposed:

(1) In paragraph (c) of § 113.2, the clause "or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period" has been added to the end of the paragraph in view of the fact that the Commissioner of Customs pursuant to 19 U.S.C. 1623(b)(3), may authorize for certain term bonds a term exceeding one year where, in his opinion, special circumstances warrant a longer period.

(2) Paragraph (gg) of § 113.14 described the Public Gauger bond as one of the bonds subject to approval by the district director of Customs. Under the procedure to become a licensed public gauger approved by Customs (§ 151.43(b) of the Customs Regulations), a prospective licensed public gauger may obtain the Public Gauger bond form from the district director, but this bond, together with a completed application and other necessary documentation, must be submitted directly to, and approved by, the Commissioner of Customs. Therefore, the Public Gauger bond has been placed in § 113.13, relating to bonds approved by the Commissioner of Customs. However, inasmuch as the other bonds requiring approval by the Commissioner of Customs must be submitted to the district director for forwarding to the Commissioner, they have been placed in a separate paragraph (a), under § 113.13, and the Public Gauger bond has been placed in paragraph (b) of that section.

(3) In § 113.14(e)(2), "and T.D. 55876" has been added after the words "in the form prescribed in T.D. 46594, as amended by T.D. 52626" in order to completely describe the form to be used for the term bond to produce the manifest and shipper's export declarations for goods exported to Canada.

(4) In § 113.14(i)(1), the amount in which the single entry Bond for Exportation or Transportation or for Transportation and Exportation, Customs Form 7557, shall be taken has been clarified. As originally proposed, § 113.14(i)(1) provided that this bond shall be taken in an amount equal to double the estimated duty. However, section 1.11 of the Customs Regulations defines "duties" as "Customs duties and any internal revenue taxes which attach upon importation". For clarification, therefore, § 113.14(i)(1) has been changed to state that the single entry Bond for Exportation or Transportation, or for Transportation and Exportation shall be taken in an amount equal to double the ordinary Customs duty on the merchandise (including any taxes required by law to be treated as duties) plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director.

(5) Section 113.14(p), as originally proposed, contained a description of the procedure to be followed by the district director of Customs upon his approval of, or his discontinuance of the use of, the Bond for the Control of Instruments of International Traffic, Customs Form 7587. This procedure is an internal Customs procedure and is not a proper subject to be covered by the Customs Regulations. Consequently, the second sentence of § 113.14(p), which contained this procedure, has been deleted.

(6) In § 113.14(r), the phrase "or landing bond in the form prescribed in T.D. 47886", has been added after the words "Landing Bond, Customs Form 7593," to permit the use of a bond following the format set forth in T.D. 47886 in the event Customs Bond Form 7593 is not obtainable.

(7) In § 113.14(y), the phrase "filed at the option of the drawback claimant" has been changed to read "filed by the drawback claimant" with respect to the filing of the Drawback Export Bond, Customs Form 7613, by drawback claimants using the exporter's summary procedure described in § 22.7 of the Customs Regulations. Although a drawback claimant using this procedure may file either the Drawback Export Bond or the General Term Bond for Entry of Merchandise, Customs Form 7595, he does not have the option of not filing any bond, as the original wording of § 113.14(y) may have indicated. The change described above will correct this misunderstanding.

(8) Section 113.14(bb), describing the special bond for the exportation of convict-made goods, has been deleted inasmuch as present Customs procedure renders the use of this bond obsolete. Pursuant to §§ 12.42 through 12.45 of the Customs Regulations, any article suspected of having been produced by the use of convict labor, forced labor, or indentured labor shall not be released until all questions relating to its admissibility have been resolved.

(9) Because of the deletion from § 113.14 of paragraphs (bb) (bond for the exportation of convict-made goods) and (gg) (Public Gauger bond), paragraphs (cc), (dd), (ee), and (ff) of section 113.14 have been redesignated (bb), (cc), (dd), and (ee), respectively, and paragraphs (hh) and (ii) of § 113.14 have been redesignated (ff) and (gg).

(10) Section 113.21(d), relating to the use of abbreviations, has been changed to permit the use on the bond of the abbreviation of the name of the State of incorporation of the principal or the surety. The failure to provide for the use on the bond of the abbreviations for State names was inadvertent.

(11) Section 113.34(d), relating to the execution of bonds by attorneys in fact, has been changed to include a cross-reference to § 141.46 of the Customs Regulations, which permits a customhouse broker to retain his powers of attorney in his office, provided he makes them available for inspection by representatives of the Department of the Treasury. Any other person having a power of attorney is required under § 141.44 of the Customs Regulations to file a copy of the power with the district director in each Customs district in which the power is to be exercised in a Customs matter.

In addition to the above changes, a number of editorial corrections have been made in the text of the revised provisions originally proposed.

Included as part of the revision is a parallel reference table showing the relationship of the sections in new Part 113 to the superseded sections of Part 25.

Accordingly, new Part 113, and conforming changes in Parts 10, 11, 12, 18, 19, 24, 25, 114, 133, 141, 142, and 172 of the Customs Regulations (Chapter I, Title 19, of the Code of Federal Regulations) are hereby adopted as set forth below.

Effective date. These amendments will be effective October 4, 1974.

VERNON D. ACREE,
Commissioner of Customs.

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

Approved: August 21, 1974.

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

In § 10.39, paragraph (a) is amended by substituting in the first sentence "§ 113.55" for "§ 25.15", and paragraph (d) is amended by adding a new subparagraph (3) to read as follows:

§ 10.39 Cancellation of bonds.

* * * * *

(d) * * *

(3) *Demand for return to Customs custody.* When the demand for return to Customs custody is made in the case of merchandise entered under schedule 8, part 5C, Tariff Schedules of the United States (19 U.S.C. 1202), liquidated damages in an amount equal to double the estimated duties on the merchandise not returned shall be demanded, except that in the case of samples solely for use in taking orders, motion-picture advertising films, professional equipment, tools of trade, and repair components for professional equipment and tools of trade, the liquidated damages demanded shall be in an amount equal to 110 percent of the estimated duties.

* * * * *

§ 10.41a [Amended]

In § 10.41a, the fifth sentence of paragraph (c) is amended by substituting "§ 113.14(p)" for "§ 25.4(a) (34)".

§§ 10.43 and 10.71 [Amended]

Sections 10.43(a) and 10.71(c) are amended by substituting "§ 113.42" for "§ 25.16(c)".

Section 10.112 and the centerhead before that section are amended to read as follows:

LATE FILING OF FREE ENTRY AND REDUCED DUTY DOCUMENTS

§ 10.112 Filing free entry documents or reduced duty documents after entry.

Whenever a free entry or a reduced duty document, form, or statement required to be filed in connection with the entry is not filed at the time of the entry or within the period for which a bond was filed for its production, but failure to file it was not due to willful negligence or fraudulent intent, such document, form, or statement may be filed at any time prior to liquidation of the entry or, if the entry was liquidated, before the liquidation becomes final. See § 113.43 (c) of this chapter for satisfaction of the bond and cancellation of the bond charge.

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 11—PACKING AND STAMPING; MARKING

§§ 11.12 and 11.12a [Amended]

Sections 11.12(c) and 11.12a(c) are amended by substituting "§ 113.14" for "§§ 25.3 and 25.4".

§ 11.12b [Amended]

In § 11.12b, paragraph (c) is amended by substituting "§ 113.14" for "§ 25.4".

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 12—SPECIAL CLASSES OF MERCHANDISE

§§ 12.73 and 12.91 [Amended]

Sections 12.73(c), and 12.91(d) are amended by substituting "§ 113.14" for "§ 25.4(a)".

§ 12.80 [Amended]

Section 12.80(c) is amended by substituting "§ 113.14" for "§ 25.4(a)".

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 18—TRANSPORTATION IN BOND AND MERCHANDISE IN TRANSIT

§ 18.20 [Amended]

In § 18.20, paragraph (b) is amended by substituting § 113.55 for § 25.15.

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 19—CUSTOMS WAREHOUSES, CONTAINER STATIONS, AND CONTROL OF MERCHANDISE THEREIN

§ 19.17 [Amended]

In § 19.17, paragraph (e) is amended by substituting in the second sentence "T.D. 72-244" for "T.D. 50267, as amended by T.D. 52403".

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE

§ 24.11 [Amended]

In § 24.11, paragraph (a)(2) is amended by substituting "§ 113.14(u)" in place of "§ 25.4(a) (32)".

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 25—CUSTOMS BONDS

§§ 25.1 through 25.19 [Deleted]

Chapter I of Title 19, Code of Federal Regulations, is amended by deleting Part 25.

(R.S. 251, as amended, secs. 623, 624, 46 Stat. 759, as amended (19 U.S.C. 66, 1623, 1624))

PART 113—CUSTOMS BONDS

Chapter I of Title 19, Code of Federal Regulations, is amended by adding new Part 113 as follows:

Subpart A—General Provisions

Sec.
113.0 Scope.
113.1 Authority to require execution of bond or security.
113.2 Powers of Commissioner of Customs relating to bonds.
113.3 Liability of surety on a terminated bond.

Subpart B—Classes and Approval of Bonds

113.11 Name and classes of bonds.
113.12 Carnets.
113.13 Bonds approved by the Commissioner of Customs.
113.14 Bonds approved by the district director.
113.15 Approval of bond.
113.16 Amount of bond approved by district director.
113.17 Approved form of bond inadequate.
113.18 Retention of approved bonds.

Subpart C—General and Special Bond Requirements

113.21 Information required on the bond.
113.22 Witnesses required.
113.23 Changes made on the bond.
113.24 Seals.
113.25 Termination date for term bonds.
113.26 Bond transcript for certain term bonds.
113.27 Copies of blanket smelting and refining bonds.

Subpart D—Principals and Sureties

113.31 Information pertaining to principals and sureties on the bond.
113.32 Same party as principal and surety; attorney in fact.
113.33 Partnerships as principals.
113.34 Corporations as principals.
113.35 Individual sureties.
113.36 Partners acting as surety in behalf of a partner or in behalf of a partnership.
113.37 Corporate sureties.
113.38 Delinquent sureties.
113.39 Acceptance of cash deposits or obligations of the United States in lieu of sureties on bonds.

Subpart E—Production of Documents

113.41 Entry made prior to production of documents.
113.42 Time period for production of documents.
113.43 Extension of time period.
113.44 Assent of sureties to an extension of a bond.
113.45 Charge for production of a missing document made against a term bond.
113.46 Cancellation of bond charges resulting from failure to produce documents.

Subpart F—Assessment of Damages and Cancellation of Bond

113.51 Cancellation of bond or charge against the bond.
113.52 Failure to satisfy the bond.
113.53 Waiver of Customs requirement supported by a bond.
113.54 Cancellation of erroneous charges.
113.55 Cancellation of export bonds.

Subpart G—Special Provisions Concerning Consolidated Aircraft Bonds and General Term Bonds for the Entry of Merchandise

113.61 Consolidated Aircraft Bond.
113.62 General Term Bond for Entry of Merchandise.

AUTHORITY: R.S. 251, as amended, secs. 623, 624, 46 Stat. 759, as amended; (19 U.S.C. 66, 1623, 1624). Subpart E also issued under sec. 484, 46 Stat. 722, as amended (19 U.S.C. 1484). Additional authority and statutes interpreted or applied are cited in the text or following the sections affected.

§ 113.0 Scope.

This part sets forth the general requirements applicable to bonds. It contains the general authority and powers of the Commissioner of Customs in requiring bonds, the classes of bonds and their approval and execution, general and special bond requirements, the requirements which must be met to be either a principal or a surety, the requirements concerning the production of documents, and the authority and manner of assessing damages and of cancelling the bond or charges against a bond.

Subpart A—General Provisions

§ 113.1 Authority to require execution of bond or security.

Where a bond or other security is not specifically required by law, the Commissioner of Customs, pursuant to Treasury Department Order No. 165 Revised, as amended (T.D. 53654, 19 FR 7241), may by regulation or specific instruction require, or authorize the district director to require, such bonds or other security considered necessary for the protection of the revenue or to assure compliance with any pertinent law, regulation, or instruction.

§ 113.2 Powers of Commissioner of Customs relating to bonds.

Whenever a bond is required or authorized by law, regulations, or instructions, the Commissioner of Customs may:

(a) Prescribe the conditions and form of such bond, and fix the amount of penalty, whether for the payment of liquidated damages, or of a penal sum, except as otherwise specifically provided for by law.

(b) Provide for the approval of the sureties on the bond, without regard to any general provision of law.

(c) Authorize the execution of a term bond the conditions of which shall extend to and cover similar cases of importations over a period of time, not to exceed one year or such longer period as he may fix when in his opinion special circumstances existing in a particular instance require such longer period.

(d) Authorize the taking of a consolidated bond (single entry or term) in lieu of separate bonds to assure compliance with two or more provisions of law, regulations, or instructions. Such a consolidated bond shall have the same force and effect as the separate bonds in lieu of which it was taken. The Commissioner of Customs may fix the penalty of a consolidated bond without regard to any other provision of law, regulation, or instruction.

§ 113.3 Liability of surety on a terminated bond.

The surety, as well as the principal, remains liable on a terminated bond for obligations incurred prior to termination.

Subpart B—Classes and Approval of Bonds

§ 113.11 Name and classes of bonds.

(a) *Name.*—All bonds required to be given under the Customs statutes or regulations shall be known as Customs bonds.

(b) *Classes.*—Customs bonds shall consist of two classes:

(1) Those approved by the Commissioner of Customs (see § 113.13).

(2) Those approved by the district director (see § 113.14).

§ 113.12 Carnets.

A carnet is an international customs document which serves simultaneously as a customs entry document and as a customs bond. Therefore, carnets, provided for in Part 114 of this chapter, are ordinarily acceptable without posting further security under the Customs statutes or regulations requiring bonds.

§ 113.13 Bonds approved by the Commissioner of Customs.

(a) *Submitted to district director for forwarding to Commissioner of Customs.* The following bonds, after execution by the principals and sureties, shall be forwarded by the district director to the Commissioner of Customs for approval:

(1) *Proprietor's Manufacturing Warehouse Bond, Class 6, Customs Form 3583.*—Proprietor's Manufacturing Warehouse Bond, Class 6, Customs Form 3583, in an amount to be recommended by the district director, but not less than \$5,000 on each building or area and not more than \$50,000 on all buildings or areas, unless the Commissioner of Customs directs that additional security is necessary. Buildings connected by loading platforms or sheds shall be considered as separate buildings. This Customs bond shall be prepared in duplicate. The district director shall forward to the Commissioner, along with this bond, his recommendation, together with all reports, documents, and drawings filed in connection with the bond.

(2) *Blanket smelting and refining bond.*—Blanket smelting and refining bond in the form prescribed by T.D. 72-244, in an amount to be recommended by the district director and fixed by the Commissioner. The number of copies required for this bond are set forth in § 113.27.

(b) *Submitted directly to Commissioner of Customs.* Public Gauger bond, the form for which may be obtained from the district director, shall be submitted directly to the Commissioner of Customs in the amount of \$10,000, in accordance with § 151.43(b) of this chapter.

§ 113.14 Bonds approved by the district director.

The following bonds are subject, after execution, to approval by the district director:

(a) *Proprietor's Warehouse Bond, Customs Form 3581.*—Proprietor's Warehouse Bond, Customs Form 3581, in the amount of \$5,000 on each building or area covered, but not to exceed \$50,000 on all buildings or areas, unless the district director believes additional security is necessary. Buildings connected by loading platforms or sheds shall be considered as separate buildings. All reports, documents, and drawings submitted in connection with the bonding of the warehouse shall be filed with the bond.

(b) *Bonds for the carriage of merchandise.*—(1) *Carrier's Bond, Customs Form 3587.*—Carrier's Bond, Customs Form 3587, for common carriers, contract carriers, and freight forwarders, in an amount to be determined by the district director, but in an amount not less than \$25,000 in the case of motor and air carriers and in an amount not less than \$50,000 in the case of other carriers.

(2) *Private Carrier's Bond, Customs Form 3588.*—Private Carrier's Bond, Customs Form 3588, in an amount to be determined by the district director.

(c) *Bond of Customs Cartman or Lighterman, Customs Form 3855.*—Bond of Customs Cartman or Lighterman, Customs Form 3855, in such amount as the district director deems necessary, but not less than \$5,000, and not more than \$50,000, unless the district director deems the latter amount insufficient. If the latter amount is considered by the district director insufficient, he shall report this fact to the Commissioner of Customs for the Commissioner's determination as to the amount of the bond.

(d) *Bond of Claimant of Seized Goods for Costs of Court, Customs Form 4615.*—Bond of Claimant of Seized Goods for Costs of Court, Customs Form 4615, in the amount of \$250.

(e) *Bond to Produce Manifest and Shipper's Export Declarations for Goods Exported to Canada.*—(1) *Single entry bond, Customs Form 7303.*—Single entry Bond to Produce Manifest and Shipper's Export Declarations for Goods Exported to Canada, Customs Form 7303, in the amount of \$1,000.

(2) *Term bond.*—Term bond to produce manifest and shipper's export declarations for goods exported to Canada, in the form prescribed in T.D. 46594, as amended by T.D. 52626 and T.D. 55876, in such amount as the district director may deem necessary.

(f) *Special carpet wool and camel's hair bond*—(1) *Single entry bond, Customs Form 7547.*—Special single entry carpet wool and camel's hair bond, Customs Form 7547, in an amount equal to the value of the wool or hair involved plus double the estimated duty, as determined at the time of entry.

(2) *Term bond, Customs Form 7549.*—Special term carpet wool and camel's hair bond, Customs Form 7549, in the amount of \$10,000, or such larger amount as the district director may deem necessary.

(g) *Immediate Delivery and Consumption Entry Bond*—(1) *Single entry bond, Customs Form 7551.*—Immediate

Delivery and Consumption Entry Bond (Single Entry), Customs Form 7551, in the amount equal to the value of the articles, as set forth in the entry, plus the estimated duty (including any taxes required by law to be treated as duties) and the estimated amount of any other taxes imposed upon or by reason of importation, as determined at the time of entry except that:

(i) *Merchandise entered at reduced rate of duty.*—When the bond is to cover merchandise granted a conditional right of entry at a reduced rate of duty, the amount of the bond shall be fixed in an amount equal to the value of the articles, as set forth in the entry, plus the maximum rate of duty prescribed by the law.

(ii) *Merchandise remaining in Customs custody.*—When the merchandise involved will remain in Customs custody until (*a*) the examination of the merchandise has been completed, (*b*) it is found to be truly and correctly invoiced, and (*c*) it is determined that its release is not precluded by law or regulation and it is entitled to admission into the commerce of the United States, the bond shall be in an amount equal to the aggregate sum of double the estimated amount of ordinary Customs duty on the merchandise (including any taxes required by law to be treated as duties) plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director.

(iii) *Merchandise unconditionally free of duty.*—When the merchandise appears to the satisfaction of the district director to be unconditionally free of duty and not prohibited from admission into the commerce of the United States, the amount of the bond may be in such lesser amount as, in the opinion of the district director, will be sufficient to accomplish the purpose for which the bond is given, but in no case less than $100.

(iv) *Immediate delivery.*—When the bond relates to an application for immediate delivery, the amount of the bond shall be fixed in the amount equal to the value of the articles, based on the information furnished in the application, plus the estimated duty (including any taxes required by law to be treated as duties) and the estimated amount of any taxes imposed upon or by reason of importation, as determined at the time of the application.

(2) *Term bond, Customs Form 7553.*—Immediate Delivery and Consumption Entry Bond (Term), Customs Form 7553, in the amount of $10,000, or such larger amount as the district director may deem necessary. This bond shall be taken to cover only entries to be made at a single port and shall not be modified to cover more than one port. The rules prescribed in paragraph (g)(1) of this section for determining the amount of the single entry immediate delivery and consumption entry bond shall be applied in making charges against immediate delivery and consumption entry term bonds.

(h) *Warehouse Entry Bond, Customs Form 7555.*—Warehouse Entry Bond, Customs Form 7555, in an amount equal to the aggregate sum of double the estimated amount of ordinary Customs duty on the merchandise (including any taxes required by law to be treated as duties) plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director. When the bond is to cover merchandise granted a conditional right of entry at a reduced rate of duty, the amount of the bond shall be fixed on the basis of the maximum rate of duty prescribed by the law.

(i) *Bond for Exportation or Transportation or for Transportation and Exportation*—(1) *Single entry bond, Customs Form 7557.*—Single entry Bond for Exportation or Transportation or for Transportation and Exportation, Customs Form 7557, in an amount equal to the aggregate sum of double the ordinary Customs duty on the merchandise (including any taxes required by law to be treated as duties/plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director.

(2) *Term bond, Customs Form 7559.*—Term Bond for Exportation or Transportation or for Transportation and Exportation, Customs Form 7559, in the amount of $10,000, or such larger amount as the district director may deem necessary to afford ample security to the revenue.

(j) *Bond for Articles Entered or Withdrawn from Warehouse Conditionally Free of Duty, Customs Form 7561.*—Bond for Articles Entered or Withdrawn from Warehouse Conditionally Free of Duty, Customs Form 7561, in an amount equal to the aggregate sum of double the estimated amount of ordinary Customs duty on the merchandise (including any taxes required by law to be treated as duties) plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director. When the bond is to cover merchandise granted a conditional right of entry at a reduced rate of duty, the amount of the bond shall be fixed on the basis of the maximum rate of duty prescribed by the law.

(k) *Bond for Temporary Importations.*—(1) *Single entry, Customs Form 7563.*—Bond for Temporary Importations, Customs Form 7563, in an amount equal to double the duties which it is estimated would accrue (or such larger amount as the district director shall state in writing to the entrant, as is necessary to protect the revenue) had all the articles covered by the entry been entered under an ordinary consumption entry, except that in the case of samples solely for use in taking orders, motion-picture advertising films, professional equipment, tools of trade, and repair components for professional equipment and tools of trade, the bond shall be in an amount equal to 110 percent of the estimated duties.

(2) *Term bond, Customs Form 7563-A.*—Term Bond for Temporary Importations, Customs Form 7563-A, in such amount of $10,000 or such larger amount as may be fixed by the district director at the port where the bond is filed.

(l) *Bond for articles for exhibition, Customs Form 7565.*—Bond for articles for exhibition, Customs Form 7565, in an amount equal to the estimated duties, as determined at the time of entry.

(m) *Vessel, Vehicle, or Aircraft Bond.*—(1) *Single entry bond, Customs Form 7567.*—Vessel, Vehicle, or Aircraft Bond (Single Entry), Customs Form 7567, in such amount as the district director may deem necessary, but in no case less than $1,000.

(2) *Term bond, Customs Form 7569.*—Vessel, Vehicle, or Aircraft Bond (Term), Customs Form 7569, in the amount of $10,000, or such larger amount as may be fixed by the district director at the port where the bond is filed.

(n) *Single entry bond on entry for or withdrawal from manufacturing warehouse, Customs Form 7571.*—Bond on entry for or withdrawal from manufacturing warehouse (single entry), Customs Form 7571, in an amount equal to the aggregate sum of double the estimated amount of ordinary Customs duty on the merchandise, as determined at the time of entry (including any taxes required by law to be treated as duties) plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director.

(o) *Single entry bond to produce bill of lading, Customs Form 7581.*—Bond to Produce Bill of Lading (Single Entry), Customs Form 7581, in an amount equal to one and one-half times the invoice value.

(p) *Bond for control of instruments of international traffic, Customs Form 7587.*—Bond for the Control of Certain Instruments of International Traffic, Customs Form 7587, required by § 10.41a of this chapter in the amount of $10,000 or such larger amount as the district director may deem necessary to afford ample security to the revenue.

(q) *Antidumping Bond, Customs Form 7591.*—Antidumping Bond, Customs Form 7591, in an amount equal to the estimated value of the merchandise.

(r) *Landing bond for alcoholic beverages, Customs Form 7593.*—Landing Bond, Customs Form 7593, or landing bond in the form prescribed in T.D. 47886, to land spirits, wines, or other alcoholic liquors in foreign ports, in an amount equal to double the estimated duty.

(s) *General term bond for the entry of merchandise, Customs Form 7595.*—General Term Bond for Entry of Merchandise, Customs Form 7595, in the amount of $100,000, or such larger amount as may be fixed by the district director at the port where the bond is filed.

(t) *Bond to secure the payment of overtime services*—(1) *Single entry bond, Customs Form 7597.*—Single entry bond, Customs Form 7597, in an amount deemed by the district director to be sufficient to secure the payment of overtime services requested by or on behalf of parties in interest.

(2) *Term bond, Customs Form 7599.*—Term bond, Customs Form 7599, in an amount deemed by the district director to be sufficient to secure the payment of overtime services requested by or on behalf of parties in interest.

(u) *Superseding bond, Customs Form 7601.*—Superseding bond of the actual owner whose declaration has been filed pursuant to section 485(d), Tariff Act of 1930, as amended (19 U.S.C. 1485(d)), to pay increased and additional duties imposed upon or by reason of importation, to redeliver merchandise for marking and other purposes, and to perform all required acts with respect to merchandise not entitled to admission into the commerce of the United States, Customs Form 7601, in an amount equal to the amount of the single-entry bond or the bond charge which it supersedes.

(v) *Bond for conditionally-free withdrawal for supplies of fishing vessels, Customs Form 7603.*—Bond for Conditionally-Free Withdrawal of Distilled Spirits (Including Alcohol), Wines, or Beer, for Supplies of Fishing Vessels, Customs Form 7603, in an amount equal to the duties and taxes that would have been assessed had the supplies been regularly entered, or withdrawn, for consumption. When the form is used as a term bond, the bond shall be fixed in such larger amount as the district director may deem necessary.

(w) *Consolidated Aircraft Bond, Customs Form 7605.*—Consolidated Aircraft Bond, Customs Form 7605, filed with any district director at the option of the carrier, in the amount of $100,000, or such larger amount as may be fixed by the district director.

(x) *Bond for Accelerated Payment of Drawback.*— (1) *Single entry bond, Customs Form 7609.*—Bond for Accelerated Payment of Drawback (Single Entry), Customs Form 7609, in an amount equal to the amount of accelerated payment to be received on the entry covered.

(2) *Term bond, Customs Form 7611.*—Bond for Accelerated Payment of Drawback (Term), Customs Form 7611, in an amount sufficient to cover the maximum amount of accelerated payment to be outstanding at any time during the period of the bond.

(y) *Drawback Export Bond, Customs Form 7613.*—Drawback Export Bond, Customs Form 7613, filed by the drawback claimant using the exporter's summary procedure mentioned in § 22.7 of this chapter, in an amount equal to twenty five percent of the drawback claimed on entries filed by the principal (exporter-claimant) during the term of the bond.

(z) *Special bond for the entry of merchandise believed to involve unfair practices or unfair methods of competition.*—Special bond for the entry of merchandise believed to involve unfair practices or methods of competition, taken under the provisions of section 337(f), Tariff Act of 1930, as amended (19 U.S.C. 1337(f)), in the form prescribed in T.D. 45474. This bond shall be in an amount equal to the domestic value of the merchandise, as defined in § 12.39 (b) of this chapter.

(aa) *Special bond for the clearance of vessel penalized for carrying narcotics.*—Special bond for clearance of vessel penalized for carrying smoking opium or other narcotics under the provisions of section 584, Tariff Act of 1930, as amended (19 U.S.C. 1584), in the form prescribed in T.D. 45474. This bond shall be in an amount satisfactory to the district director to guarantee the payment of any fine imposed against the owner or master of the vessel.

(bb) *Special bond for the observance of neutrality.*—Special bond for observance of neutrality in the form prescribed in T.D. 45474, in an amount equal to double the value of the vessel and cargo on board, including her armament.

(cc) *Containerized Cargo Bond.*—Containerized Cargo Bond (Term), in the form prescribed in section 19.40 of this chapter, in the sum of $25,000, or such larger amount as the district director shall determine.

(dd) *Trade Fair Bond.*—Trade Fair Bond, in the form prescribed in § 147.3 of this chapter, in an amount to be determined by the district director.

(ee) *Copyright bond.*—Copyright bond, the form for which may be obtained from the district director, in an amount equal to the value of the articles, as set forth in the entry, plus the estimated duty. (See § 133.43 of this chapter.)

(ff) *Special bond for the importation of flammable fabrics.*—Special bond for the importation of flammable fabrics, the form for which may be obtained from the district director, in an amount equal to double the value of the merchandise.

(gg) *Bond of Customs Cartman for Issuance of Temporary Identification Card.*—Bond of Customs Cartman for Issuance of Temporary Identification Card, in the form prescribed in § 112.49(d) of this chapter, in an amount determined by the district director.

§ 113.15 Approval of bond.

The district director at the port where the bond is filed may approve any bonds described in § 113.14, if he is satisfied that:

(a) The amount of the bond is sufficient, and

(b) The bond is in proper form.

§ 113.16 Amount of bond approved by the district director.

The amount of any Customs bond approved by the district director shall not be less than $100, except when the law or regulation expressly provides that a lesser amount be taken. Fractional parts of a dollar shall be disregarded in computing the amount of the bond, which shall be stated always as the next highest dollar.

§ 113.17 Approved form of bond inadequate.

If a situation develops where the approved form of a bond, described in § 113.14, is deemed to be inapplicable, the district director may draft a form which he believes will be sufficient, but before the execution of the bond, the proposed form shall be submitted to the Commissioner of Customs for his consideration and approval.

§ 113.18 Retention of approved bonds.

All the bonds approved by the district director, described in § 113.14, except the Bond of Claimant of Seized Goods for Costs of Court, Customs Form 4615, shall remain on file in his office. The bond on Customs Form 4615, described in § 113.14(d), shall be transmitted to the United States attorney, as required by section 608, Tariff Act of 1930, as amended (19 U.S.C. 1608).

Subpart C—General and Special Bond Requirements

§ 113.21 Information required on the bond.

(a) *Identification of principal and sureties.*—The names of the principal and sureties and their respective places of residence shall appear in full in the body of the bond. In the case of a corporate principal or surety, its legal designation and the address of its principal place of business shall appear.

(b) *Date of execution.*—Each bond shall bear the date it was actually executed.

(c) *Statement of the amount.*—The amount of the bond shall be stated in both words and figures.

(d) *Use of abbreviations.*—Abbreviations shall not be used, except in dates, descriptions of merchandise, the marks and numbers on packages, and the State of incorporation of the principal or the surety.

(e) *Blank spaces on the bond.*—Lines shall be drawn through all spaces on the bond which are not filled in.

§ 113.22 Witnesses required.

(a) *Generally.*—The signature of each party to a bond executed by a noncorporate principal or surety shall be witnessed by two persons, who shall sign their names as witnesses, followed by their addresses.

(b) *Witness for both principal and surety.*—When two persons signing as witnesses act for both principal and surety, they shall so indicate by stating on the bond "as to both" or a similar term.

(c) *Corporate principal or surety.*—No witnesses are required where bonds are executed by properly authorized officers or agents of a corporate principal or corporate surety. For requirements concerning the execution of a bond by an authorized officer or agent of a corporate principal or surety, see §§ 113.34 and 113.37.

§ 113.23 Changes made on the bond.

(a) *Definition of the types of changes*—(1) *Modification or interlineation.*—For the purpose of this section, modifications or interlineations are changes which go to the substance of the bond, or are basic revisions of the bond.

(2) *Alterations or erasures.*—Alterations or erasures consist of minor changes, such as correction of typographical errors, or change of address, which do not go to the substance, or result in basic revision, of the bond.

(b) *Prior to signing.*—When erasures, alterations, modifications, or interlineations are made on the bond prior to its signing by the parties to the bond, a statement by an agent of the surety company or by the personal sureties to that effect shall be placed upon the bond.

(c) *After signing.*—If erasures or alterations are made after the bond is signed, but prior to the approval of the bond by Customs, the consent of all the parties shall be written in the bond. Except in cases where a change in the bond is expressly authorized by regulation, or by the Commissioner, no modification or interlineation shall be made on the bond after execution. When modification or interlineation is desired, a new bond will be executed.

(d) *After approval of the bond by Customs.*—Except in cases where change in the bond is expressly authorized by regulations, or instructions from the Commissioner, the district director shall not permit a change as defined in paragraph (a) of this section after the bond has been approved by Customs. When changes are desired, a new bond is required, which, when approved, shall supersede the existing bond.

(e) *Stipulations.*—All stipulations expressly authorized by the Commissioner pursuant to this section shall be securely attached to the related bond to prevent their loss or misplacement.

§ 113.24 Seals.

(a) *Bonds approved by the Commissioner of Customs.*—Bonds which are approved by the Commissioner of Customs must be under seal. The seal on such bonds shall be affixed adjoining the signatures of principal and sureties, if individuals, and the corporate seal shall be affixed adjoining the signatures of persons signing on behalf of a corporation.

(b) *Bonds approved by the district director.*—Bonds approved by the district director shall be under seal in accordance with the law of the State in which executed. However, when the charter or governing statute of a corporation requires its acts to be evidenced by its corporate seal, such seal is required.

§ 113.25 Termination date for term bonds.

The termination date of every term bond shall be the last day of the period and not the first day of a succeeding period; for example, January 1, 19—, to and including December 31 of that same year, and not January 1, 19—, to January 1 of the next year.

§ 113.26 Bond transcript for certain term bonds.

(a) *Submission.* There shall be furnished to the district director with each bond on Customs Forms 7553, 7563–A, 7569, 7595, and 7599 a completed Bond Transcript on Customs Form 53, in triplicate. The bond and bond transcript shall be furnished at least 60 days before the date on which the bond shows it is to become effective, except that a bond on Customs Form 7553 and the related bond transcript may be accepted on, or at any time before, the effective date of the bond, from an importer who has not previously had such a bond. It shall be the responsibility of the importer or his agent to execute the bond transcript.

(b) *Request for termination.* Each request to terminate a bond of a type named in paragraph (a) of this section prior to the expiration date of the bond shall be filed with the district director of Customs in whose office the bond was approved. The request must be accompanied by a completed Customs Form 53, in triplicate, appropriately marked to terminate an existing bond.

(c) *Submission of new bond to replace existing bond.* When a new bond is submitted to replace an existing bond, two bond transcripts must be furnished. One must be submitted to initiate the new bond, as required by paragraph (a) of this section; the other must be submitted to terminate the existing bond, as required by paragraph (b) of this section.

(d) *Date of termination*—(1) *When filed at least 60 days in advance of requested termination date.* The termination shall take effect on the date requested, if the request and bond transcript are filed at least 60 days in advance of the requested date.

(2) *When filed less than 60 days in advance of termination date.* If the request and bond transcript are not filed at least 60 days in advance of the requested date, the termination shall take effect on the 60th day after receipt by the district director.

(3) *When termination requested by surety without consent of the principal.* When termination of a bond is requested by the surety without the consent of the principal, it shall take effect on the 60th day after approval by the district director.

(4) *When new bond cannot be initiated.* When a new bond cannot be initiated because the Customs Form 53, as required by paragraph (a) of this section, is incorrect, any accompanying Customs Form 53 for termination of an existing bond shall not take effect until such time as both transcripts can take effect.

§ 113.27 Copies of blanket smelting and refining bonds.

Blanket smelting and refining bonds, described in § 113.13(b), requiring the approval of the Commissioner of Customs, shall be accompanied by a sufficient number of copies for transmittal by the Commissioner to each port at which the principal seeks to conduct business.

Subpart D—Principals and Sureties

§ 113.31 Information pertaining to principals and sureties on the bond.

The general information pertaining to the principal and sureties which must be given in the body of the bond is set forth in § 113.21(a).

§ 113.32 Same party as principal and surety; attorney in fact.

(a) *Same party as principal and surety.*—The same person, partnership, or corporation cannot be both principal and surety on a bond.

(b) *Attorney in fact for principal or surety.*—In executing a bond, a person may act as:

(1) Attorney in fact for both principal and surety;

(2) Surety and attorney in fact for the principal; or

(3) Principal and attorney in fact for the surety.

§ 113.33 Partnerships as principals.

(a) *Name of partners on the bond.*—Unless written notice of the full names of all partners in the firm has been previously filed with the district director, the names of all persons composing the partnership shall appear in the body of the bonds; for example, "Aaron A. Abel, Bertrand B. Bell and Charles C. Cole, composing the firm of Abel, Bell and Co.

(b) *Execution.*—Partnership bonds shall be executed in the firm name, with the name of the member or attorney of the firm executing it appearing immediately below the firm signature.

(c) *Action of one principal binding on all principals of the partnership.*—Pursuant to section 495 of the Tariff Act of 1930 (19 U.S.C. 1495), when a Customs bond is executed by any member of the partnership, the bond shall be binding on the other partners in like manner and to the same extent as if such other partners had personally joined in the execution.

§ 113.34 Corporations as principals.

(a) *Name of corporation on the bonds.*—The name of a corporation executing a Customs bond as a principal, may be printed or placed thereon by means of a rubber stamp or otherwise, followed by the written signature of the authorized officer or attorney.

(b) *Signature and seal of the corporation on the bond.*—The bond of a corporate principal shall be signed by an authorized officer or attorney of the corporation and the corporate seal shall be affixed immediately adjoining the signature of the person executing the bond, as provided for in § 113.24.

(c) *Bond executed by an authorized officer of corporation.*—When the bond is executed by an authorized officer of a corporation and no power of attorney has been filed with the district director, the following evidence of his authority to act shall be furnished:

(1) *Execution of Certificate as to Corporate Principal.*—The official character, authority, and signature of the person or persons executing the bond for the corporate principal may be certified by the secretary, assistant secretary, or other officer of the corporation. Such certification shall be made by executing, under corporate seal, the provision ap-

pearing in the bond entitled "Certificate as to Corporate Principal."

(2) *Evidence in lieu of the certificate.*—In lieu of the above certificate, there may be attached to the bond so much of the records of the corporation as will show the official character, authority, and signature of the officer signing. The following documents should be attached:

(i) A certificate from the proper public officer showing the legal existence of the corporation. The district director, on bonds which he approves (§ 113.14), may waive the production of evidence of incorporation when such fact is a matter of common knowledge and he certifies this fact.

(ii) A copy of the bylaws, or so much thereof as authorizes the execution of such bonds, certified by the secretary of the corporation and authenticated by its corporate seal.

(iii) A copy of the document authorizing such officer to sign such bond, certified by the secretary of the corporation under the corporate seal, or a power of attorney executed in accordance with subpart C of Part 141 of this chapter containing such authority.

(iv) A document verifying the signature of the officer properly attested under the corporate seal.

(d) *Bond executed by an attorney in fact.*—When an attorney in fact executes a bond on behalf of a corporate principal and a power of attorney has not been filed with the district director (unless exempted from filing by § 141.46 of this chapter), there shall be attached a power of attorney executed under the corporate seal by an officer of the corporation whose authority to execute such power shall be shown as prescribed in paragraph (c) of this section.

§ 113.35 Individual sureties.

(a) *Number required.*—If individuals sign as sureties, there shall be two sureties on the bond. In the case of bonds approved by the district director, however, one surety may be accepted if the district director is satisfied that such surety is sufficient for the protection of the Government.

(b) *Qualifications to act as surety.*—(1) *Residency and citizenship.*—Every surety on a Customs bond must be both a resident and citizen of the United States.

(2) *Married women.*—A married woman may be accepted as a surety, unless the State in which the bond is executed prohibits her from acting that capacity.

(3) *Granting of power of attorney.*—Any individual other than a married woman in a State where she is prohibited from acting as a surety may grant a power of attorney to sign as surety on Customs bonds. If the power of attorney is limited to bonds of one or several importers, the importers shall be named in the power.

(4) *Property requirements.*—Each individual surety must have unencumbered property liable to execution within the limits of the Customs district in which the contract of suretyship is to be performed. The current market value of such property must be equal to the penalty of any bond executed by him. If a single surety is accepted, he shall qualify in an amount equal to twice the penalty of the bond.

(c) *Oath and evidence of solvency.*—Before being accepted as a surety, the individual shall:

(1) Take an oath on Customs Form 3579, setting forth:

(i) The amount of his assets over and above all his debts and liabilities and such exemptions as may be allowed by law; and

(ii) The general description and the location of one or more pieces of real estate owned by him within the limits of the Customs district and the value thereof over and above all encumbrances.

(2) Produce such evidence of solvency and financial responsibility as the district director may require.

(d) *Determination of financial responsibility.*—An individual surety shall not be accepted on a bond until he has satisfied the district director as to his financial responsibility. The district director may refer the matter to the special agent in charge for immediate investigation to verify the financial responsibility of the surety.

(e) *Continuance of financial responsibility.*—In order to follow the continued solvency and financial responsibility of individual sureties, the district director shall require a new oath and determine the financial responsibility of each such surety as prescribed in paragraphs (c) and (d) of this section at least once every 6 months, and more often if he deems it advisable.

§ 113.36 Partners acting as surety in behalf of a partner or in behalf of a partnership.

A person may act as surety for a business partner when such person is acting with respect to his separate property and in his individual capacity and as such must qualify as an individual surety, in accordance with § 113.35. A member of a partnership shall not be accepted as surety on a bond executed by the firm as principal.

§ 113.37 Corporate sureties.

(a) *Lists of corporations and limits of their bonds.*—A list of corporations authorized to act as sureties on bonds, with the amount in which each may be accepted, shall be furnished annually to all district directors by the Secretary of the Treasury. No corporation shall be accepted as surety on a bond unless named in the current list and no bond shall be for a greater amount than the respective limit stated in such list, unless the excess is protected as prescribed in § 223.11 of the Bureau of Accounts Regulations (31 CFR 223.11).

(b) *Name of corporation on the bond.*—The name of a corporation executing a Customs bond, as a surety, may be printed or placed thereon by means of a rubber stamp or otherwise, followed by the written signature of the authorized officer or attorney.

(c) *Name of agent or attorney on the bond.*—The agent or attorney acting for a corporate surety shall have stamped, printed, or typed on each bond executed by him, below his signature, his full name as it appears on the bond.

(d) *Signature and seal of the corporation on the bond.*—A bond executed by a corporate surety shall be signed by an authorized officer or attorney of the corporation and the corporate seal shall be affixed immediately adjoining the signature of the person executing the bond, as provided for in § 113.24.

(e) *Two or more corporations as sureties on the same obligation.*—Two or more corporations may be accepted as sureties on any obligation the amount of which does not exceed the limitations of their aggregate qualifying power as fixed and determined by the Secretary of the Treasury. The amount for which each corporation may act as surety in all cases must be within the limitation prescribed by the Secretary, unless such excess is protected as prescribed in § 223.11 of the Bureau of Accounts Regulations (31 CFR 223.11). Each corporation shall limit its liability to a definite specified amount, in terms, upon the face of the bond by attaching the following:

KNOW ALL MEN BY THESE PRESENTS:

That we, ____________, of ____________ as principal, and ____________, a corporation existing under the laws of the State of ____________, and ____________, a corporation existing under the laws of the State of ____________, as sureties, are held and firmly bound unto the United States of America, in the sum of ______ thousand dollars ($______), jointly and severally with each surety as hereinafter specified, and the said ____________ jointly and severally with said principal in the sum of ____________ thousand dollars ($______) of said penal sum and no more; and the said ____________ jointly and severally with said principal in the sum of ______ thousand dollars ($______) of said penal sum and no more; for the payment of which respective sums we bind ourselves, our heirs, executors, and administrators, successors and assigns, in the manner and in the respective sums hereinbefore set forth, firmly by these presents. The obligors herein expressly agree that for the purpose of allowing a joint action against any or all of them, and for that purpose only, this bond shall be treated as the joint and several as well as the several obligation of each of the obligors.

Sealed with our seals, and dated this ______ day of ______, in the year one thousand nine hundred and ______.

(f) *Power of attorney for the agent or attorney of the surety.*—Corporations may execute powers of attorney to act in their behalf in the following manner:

(1) *Execution and contents.*—The corporate surety power of attorney shall be executed on Customs Form 5297, and shall contain the following information:

(i) Corporate surety name and number,

(ii) Name and address of agent or attorney, and his social security number,

(iii) Districts in which the agent or attorney is authorized to act,

(iv) Date of the power of attorney,

(v) Seal of the corporate surety, and

(vi) Attestation of any two principal officers.

(2) *Extent of authorization.*—Authorization must be by Customs districts and may not be limited to a single port. A separate Customs Form 5297 shall be submitted for each district, except when the authorization for the agent or attorney to act is for all districts. If the power of attorney covers all districts, the word "All" shall be entered in the appropriate space on the power of attorney.

(3) *Filing.*—Corporate surety powers of attorney executed on Customs Form 5297 shall be filed in duplicate (original and copy) at any Customs port of entry. The separate powers of attorney providing authority for an agent or attorney in any number of districts may be filed at one time at the same port. The original of the power of attorney shall be sent by the port to the Customs Data Center. The Customs Data Center shall periodically issue computer printouts reflecting all corporate powers of attorney, which shall be sent to all applicable ports of entry. The copy of the power of attorney shall be retained at the port where the power was filed for use in connection with bonds executed at the port for the surety company by the person covered by the power of attorney, until the first computer printout reflecting the power of attorney has been received.

(4) *Use at port where power not filed before receipt of computer printout.*—If the grantee desires to use his power of attorney at a port covered by the power, but other than the one where his power was filed, before the first computer printout reflecting this power of attorney is received, he shall file Customs Form 5297 in triplicate (original and two copies), rather than duplicate. The second copy shall be validated by Customs and returned to the grantee. The grantee, at the time of filing a bond at a port other than the port where the power of attorney was filed, shall exhibit this validated copy of the power of attorney as proof of his grant of authority. The validity of this copy of the power shall expire when the first computer printout reflecting this power of attorney is received.

(5) *Term and revocation.*—Corporate surety powers of attorney shall continue in force and effect until revoked. Any surety desiring that a designated agent or attorney be divested of his power of attorney must execute a revocation on Customs Form 5297.

(6) *Change on the power of attorney.*—No change, including a change due to typographical error, or change of address, shall be made on the Customs Form 5297 after it has been approved by Customs. To correct the power of attorney two separate Customs Forms 5297 shall be submitted, one revoking the previous power of attorney, and one containing a new grant of authority.

§ 113.38 Delinquent sureties.

(a) *Acceptance as surety when in default as principal on another Customs bond.*—No person shall be accepted as surety on any Customs bond while he is in default as principal on any other Customs bond.

(b) *Acceptance as surety when in default as surety on another Customs bond.*—A surety on a Customs bond which is in default may be accepted as surety on other Customs bonds only to the extent that his assets are unencumbered by such default.

§ 113.39 Acceptance of cash deposits or obligations of the United States in lieu of sureties on bonds.

(a) *General provision.*—In lieu of sureties on any bond required or authorized by any law, regulation, or instruction which the Secretary of the Treasury or the Commissioner of Customs is authorized to enforce, the district director is authorized to accept United States money, United States bonds (except for savings bonds), United States certificates of indebtedness, Treasury notes, or Treasury bills in an amount equal to the amount of the bond.

(b) *Authority to sell United States obligations on default.*—At the time of deposit of any obligation of the United States, other than United States money, with the district director, the obligor shall deliver a duly executed power of attorney and agreement in a form similar to that prescribed in Treasury Department Circular 154, dated October 31, 1969, as amended, authorizing the district director, in case of any default in the performance of any of the conditions or stipulations of the bond, to sell such obligation so deposited and to apply the proceeds of such sale, in whole or in part, to the satisfaction of any damages, demands, or deficiency arising by reason of such default. The format of the power of attorney and agreement, when the obligor is a corporation, is set forth below, and shall be modified as appropriate when the obligor is either an individual or a partnership:

POWER OF ATTORNEY AND AGREEMENT

(For corporation)

Know all men by these presents, that ____ ________, a corporation duly incorporated under the laws of the State of ____________, and having its principal office in the city of ____________, State of ____________, in pursuance of a resolution of the board of directors of said corporation, passed on the ____ day of ____________, 19__, a duly certified copy of which resolution is hereto attached, does hereby constitute and appoint (Name and official title of bond-approving officer), and his successors in office, as attorney for said corporation, for and in the name of said corporation to collect or to sell, assign, and transfer certain securities described as follows:

____

____

____

such securities having been deposited by it, pursuant to authority conferred by 6 U.S.C. 15, and subject to the provisions thereof and of Treasury Circular No. 154, dated October 31, 1969, as amended, as security for the faithful performance of any and all of the conditions or stipulations of a certain obligation entered into by it with the United States, under date of ______, which is hereby made a part hereof, and the undersigned agrees that, in case of any default in the performance of any of the conditions and stipulations of such undertaking, its said attorney shall have full power to collect said securities or any part thereof, or to sell, assign, and transfer said securities or any part thereof without notice, at public or private sale, free from any equity of redemption and without appraisement or valuation, notice and right to redeem being waived, and to apply the proceeds of such sale or collection in whole or in part, to the satisfaction of any damages, demands, or deficiency arising by reason of such default, as its said attorney may deem best; and the undersigned further agrees that the authority herein granted is irrevocable.

And said corporation hereby for itself, its successors and assigns, ratifies and confirms whatever its said attorney shall do by virtue of these presents.

In witness whereof, ____________, the corporation hereinabove named, by (Name and title of officer), duly authorized to act in the premises, has executed this instrument and caused the seal of the corporation to be hereto affixed this ______ day of ______, 19__.

[Corporate seal.]

____

By ____________________

Before me, the undersigned, a notary public within and for the county of ____________, in the State of ______________ (or the District of Columbia), personally appeared (Name and title of officer) and for and in behalf of said ____________, a corporation, acknowledged the execution of the foregoing power of attorney.

Witness my hand and notarial seal this ______ day of ____________, 19___.

[Notarial seal.] ____________________

Notary Public

NOTE.—Securities must be described by title, date of maturity, rate of interest, denomination, serial number, and whether coupon or registered. Failure to give complete description will warrant rejection of this power of attorney.

(c) *Application of United States money on default.*—If cash is deposited in lieu of sureties on the bond, the district director is authorized to apply such cash, in whole or in part, to the satisfaction of any damages, demands, or deficiency arising by reason of a default under the bond.

Subpart E—Production of Documents

§ 113.41 Entry made prior to production of documents.

When entry is made prior to the production of a required document, a card memorandum on Customs Form 5101 shall be prepared by the importer and presented with the entry, whether the importer gives bond on Customs Form 7551 or 7553, or other appropriate form, or stipulates to produce such document.

§ 113.42 Time period for production of documents.

Except when another period is fixed by law or regulations, any document for the production of which a bond or stipulation is given shall be delivered to the district director within 6 months from the date of the transaction in connection with which the bond or stipulation was given, or within any extension of such time which may be granted pursuant to § 113.43(a). If the period ends on a Saturday, Sunday, or holiday, delivery on the next business day shall be accepted as timely.

§ 113.43 **Extension of time period.**

(a) *Application received within time period.*—If a document (other than an invoice or document which must be produced within 2 months, as provided in § 41.61(e) of this chapter) referred to in § 113.42 is not produced within 6 months from the date of the transaction in connection with which the bond or stipulation was given, the district director, in his discretion, upon written application of the importer, may extend the period for one further period of 2 months.

(b) *Late application.*—No application for the extension of the period of any bond or stipulation given to assure the production of a missing document shall be allowed by the district director if such application is received later than 2 months after the expiration of the period of the bond or stipulation, and any such extension shall not be allowed by the district director for a period of more than 2 months from the date of expiration of the period.

(c) *Acceptance of a free-entry or reduced-duty document prior to liquidation.*—When a bond or stipulation is given for the production of any free-entry or reduced-duty document and a satisfactory document is produced prior to liquidation of the entry or within the period during which a valid reliquidation may be completed, provided the failure to file was not due to willful negligence or fraudulent intent, it shall be accepted as satisfying the requirement that it be filed in connection with the entry, and the bond charge for its production shall be cancelled.

§ 113.44 **Assent of sureties to an extension of a bond.**

(a) *Extension prescribed by law or regulations.*—The assent of the sureties to any extension of the period prescribed in a bond is not necessary when the extension is authorized by law or regulations.

(b) *Other extension.*—The assent of the sureties shall be obtained before any extension of the period prescribed in a bond, other than an extension authorized by law or regulaton, is allowed.

§ 113.45 **Charge for production of a missing document made against a term bond.**

When a charge for the production of a missing document is made against a term bond, the charge shall be in the amount of the single entry bond that would have been taken had the transaction been covered by a single entry bond.

§ 113.46 **Cancellation of bond charges resulting from failure to produce documents.**

Section 172.22 of this chapter sets forth provisions relating to the cancellation of bond charges resulting from failure to produce documents.

Subpart F—Assessment of Damages and Cancellation of Bond

§ 113.51 **Cancellation of bond or charge against the bond.**

The Commissioner of Customs may authorize the cancellation of any bond provided for in this part or any charge that may have been made against such bond, in the event of a breach of any condition of the bond, upon payment of such lesser amount or penalty or upon such other terms and conditions as he may deem sufficient.

§ 113.52 **Failure to satisfy the bond.**

If any Customs bond, except one given only for the production of free-entry or reduced-duty documents (see §§ 113.43 (c) and 172.22(c) of this chapter), is unsatisfied upon the expiration of 90 days after liability has accrued thereunder, the matter shall be reported to the United States attorney for prosecution unless measures have been taken to file an application for relief in accordance with the provisions of Part 172 of this chapter or to effect a satisfactory settlement.

§ 113.53 **Waiver of Customs requirement supported by a bond.**

(a) *Waiver by the Commissioner of Customs.*—When a Customs requirement supported by a bond is waived by the Commissioner of Customs, the waiver may be:

(1) Unconditional, in which case the importer is relieved from the payment of liquidated damages;

(2) Conditioned upon prior settlement of the bond obligation by payment of liquidated damages; or

(3) Conditioned upon such other terms and conditions as the Commissioner may deem sufficient.

(b) *Waiver by the district director.*—When a Customs requirement supported by a bond is waived by the district director pursuant to the authority conferred upon him in these regulations, the waiver shall be unconditional.

§ 113.54 **Cancellation of erroneous charges.**

(a) *Bonds.*—Section 172.31 of this chapter sets forth the cancellation of erroneous charges against the bond when it is determined that liquidated damages assessed or paid under a bond did not in fact accrue.

(b) *Carnets.*—Section 114.34 of this chapter sets forth the cancellation of erroneous charges involving carnets.

§ 113.55 **Cancellation of export bonds.**

(a) *Definition of exportation.*—An exportation is a severance of goods from the mass of things belonging to this country with the intention of uniting them to the mass of things belonging to some foreign country. The shipment of merchandise abroad with the intention of returning it to the United States with a design to circumvent provisions of restriction or limitation in the tariff laws or to secure a benefit accruing to imported merchandise is not an exportation. Merchandise of foreign origin returned from abroad under these circumstances is dutiable according to its nature, weight, and value at the time of its original arrival in this country.

(b) *Manner of cancellation.*—A bond to assure the exportation of merchandise may be cancelled:

(1) *Upon exportation.*—Upon the specification of such merchandise on the outward manifest or outward bill of lading, the inspector's certificate of lading, the record of clearance of the vessel or of the departure of the vehicle, and the production of a foreign landing certificate if such certificate is required by the district director.

(2) *Upon payment of liquidated damages.*—Upon the payment of liquidated damages in accordance with the provisions of § 10.39 of this chapter, if exportation or destruction is not timely in the case of articles entered under schedule 8, part 5C, Tariff Schedules of the United States (19 U.S.C. 1202).

(c) *Cancellation of vessel, vehicle, or aircraft bond.*—The requirement of the vessel, vehicle, or aircraft bond, Customs Form 7567 or 7569, may be considered as having been complied with upon the production of the applicable documents mentioned in paragraph (b) (1) of this section.

(d) *Foreign landing certificate.*—A foreign landing certificate, when required, shall be produced within six months from the date of exportation and shall be signed by a revenue officer of the foreign country to which the merchandise is exported, unless it is shown that the country has no Customs administration, in which case the certificate may be signed by the consignee or by the vessel's agent at the place of lading. Landing certificates are required in the following cases:

(1) *Mandatory.*—A landing certificate shall be required in every case to establish the exportation of narcotic drugs or any equipment, stores (except such articles as are placed on board vessels or aircraft under the provisions of section 309 or 317, Tariff Act of 1930, as amended (19 U.S.C. 1309 and 1317)), or machinery for vessels.

(2) *Optional with the district director.*—A landing certificate may be required by the district director for merchandise exported from the United States, or residue cargo, when he deems such a certificate necessary for the protection of the revenue.

(3) *Waiver.*—Except as provided for in § 4.88 of this chapter, in cases where landing certificates are required and they cannot be produced, an application for waiver thereof may be made to the Commissioner of Customs through the district director, accompanied by such proofs of exportation and landing abroad as may be available.

(e) *Articles less than $10.*—In the case of articles for which the ordinary Customs duty estimated at the time of entry did not exceed $10 and which are exported within the period of the bond (including any lawful extension) but without Customs supervision, the bond may be cancelled upon production of evidence of a bona fide exportation satisfactory to the district director.

Subpart G—Special Provisions Concerning Consolidated Aircraft Bonds and General Term Bonds for the Entry of Merchandise

§ 113.61 **Consolidated Aircraft Bond.**

(a) *Bond not authorization for carriage of bonded merchandise.*—Approval of a Consolidated Aircraft Bond, Customs Form 7605, will not authorize an airline to act as a carrier for the transportation of bonded merchandise unless and until the airline filing the bond is qualified as a carrier for such transportation, in accordance with § 112.12 of this chapter.

(b) *Discontinuance of ordinary carrier's bond.*—When an airline has filed a bond on Customs Form 7605, and obtained Customs approval of the bond, it may obtain discontinuance of its bond on Customs Form 3587 by request to the district director at the port where the latter bond was approved.

§ 113.62 General Term Bond for Entry of Merchandise.

(a) *Application required.*—A principal desiring to execute the General Term Bond For Entry of Merchandise, Customs Form 7595, shall file with the district director an application for permission to file the bond.

(b) *Form of the application.*—The application for the General Term Bond For Entry of Merchandise, Customs Form 7595, shall show:

(1) The general character of the merchandise to be entered; and

(2) The total amount of ordinary Customs duties (including any taxes required by law to be treated as duties) accruing on all merchandise imported by the principal during the calendar year preceding the date of the application, plus the estimated amount of any other tax or taxes on the merchandise collectible by the district director. Such total amount of duties and taxes shall be that which would have been required to be deposited had the merchandise been entered for consumption, even though some of or all the merchandise may have been entered under bond. If no imports were made during the calendar year prior to the application, a statement of the duties and taxes it is estimated will accrue on all importations during the current year shall be submitted.

PART 114—CARNETS

Part 114 is amended by adding at the end thereof a new § 114.34, reading as follows:

§ 114.34 Cancellation of erroneous charges.

(a) *TIR carnet.*—When it is determined that liquidated damages assessed or paid for any shortage, irregular delivery, or nondelivery of merchandise covered by a TIR carnet did not in fact accrue, the liquidated damages shall be cancelled by the district director and, if paid, refunded, as provided by § 18.8 of this chapter.

(b) *A.T.A. or E.C.S. carnet.*—When it is determined that liquidated damages assessed or paid for failure to properly reexport or destroy merchandise temporarily imported under cover of an A.T.A. or E.C.S. carnet did not in fact accrue, the liquidated damages shall be cancelled by the district director and, if paid, refunded as provided by § 10.39 of this chapter.

(c) *Determination dependent upon a construction of law.*—When the determination of whether or not the charge was erroneously made depends upon a construction of law, the charge shall not be cancelled without the approval of the Commissioner of Customs, unless there is in force a ruling by the Commissioner of Customs decisive of the issue. Approval of the Commissioner shall be requested in all doubtful cases. (See § 172.31 of this chapter.)

(R.S. 251, as amended, 77A Stat. 14, secs. 623, 624, 46 Stat. 759, as amended (19 U.S.C. 66, 1202 (Gen. Hdnte. 11), 1623, 1624))

PART 133—TRADEMARKS, TRADE NAMES, AND COPYRIGHTS

§§ 133.24 and 133.46 [Amended]

Sections 133.24 and 133.46 are amended by substituting § 141.113(g) for § 25.17.

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 141—ENTRY OF MERCHANDISE

§ 141.41 [Amended]

Section 141.41 is amended by substituting "Part 113" for "Part 25".

§ 141.102 [Amended]

In § 141.102, paragraph (d) is amended by substituting "Part 113" for "Part 25".

Section 141.113 is amended by adding a new paragraph (g) to read as follows:

§ 141.113 Recall of merchandise released from Customs custody.

* * * * *

(g) *Demand not complied with.*—When the demand of the district director for return of merchandise to Customs custody is not complied with, liquidated damages shall be assessed, except in the case of merchandise entered under schedule 8, part 5C, Tariff Schedules of the United States (19 U.S.C. 1202), in an amount equal to the value of the merchandise not returned, as determined at the time of entry, plus the estimated duties and taxes, if any. The amount of liquidated damages to be assessed on merchandise entered under schedule 8, part 5C, Tariff Schedules of the United States, are set forth in § 10.39 (d) (3) of this chapter.

(R.S. 251, as amended, sec. 624, 46 Stat. 759; 19 U.S.C. 66, 1624.)

PART 142—SPECIAL PERMITS FOR IMMEDIATE DELIVERY PRIOR TO ENTRY

§ 142.4 [Amended]

In § 142.4, paragraph (a) is amended by substituting "§ 113.14(g) (1)" for "§ 25.4(a) (9)", and paragraph (b) is amended by substituting "§ 113.14(g) (2)" for "§ 25.4(a) (10)".

(R.S. 251, as amended, sec. 624, 46 Stat. 759 (19 U.S.C. 66, 1624))

PART 172—LIQUIDATED DAMAGES

Section 172.31 is amended to read as follows:

§ 172.31 Act or omission did not occur.

(a) *Definite.*—If it is definitely determined that the act or omission forming the basis for a claim for liquidated damages did not in fact occur, the claim shall be cancelled by the district director. If the liquidated damages have already been paid, they shall be refunded by the regional commissioner of Customs, and an appropriate notation shall be made on Customs Form 5955-A, if the transaction has already been recorded thereon.

(b) *Dependent upon a construction of law.*—When the determination of whether or not the claim was erroneously made depends upon a construction of law, the claim shall not be cancelled without the approval of the Commissioner of Customs, unless there is in force a ruling decisive of the issue.

(c) *Doubtful cases.*—Approval of the Commissioner of Customs shall be requested in all doubtful cases.

(R.S. 251, as amended, secs. 623, 624, 46 Stat. 759, as amended (19 U.S.C. 66, 1623, 1624))

PARALLEL REFERENCE TABLE

NOTE: This table shows the relation of sections in revised Part 113 to superseded 19 CFR Part 25.

Revised Section	*Superseded Section*
113.0	None.
113.1	None.
113.2 and 113.3	None.
113.11	25.1.
113.12	25.1.
113.13(a) (1)	25.3(a) (1).
113.13(a) (2)	25.3(a) (3).
113.13(b)	New.
113.14(a)	25.4(a) (2).
113.14(b) (1)	25.4(a) (1) (i).
113.14(b) (2)	25.4(a) (1) (ii).
113.14(c)	25.4(a) (3).
113.14(d)	25.4(a) (4).
113.14(e) (1)	25.4(a) (5).
113.14(e) (2)	25.4(a) (6).
113.14(f) (1)	25.4(a) (7).
113.14(f) (2)	25.4(a) (8).
113.14(g) (1)	25.4(a) (9).
113.14(g) (2)	25.4(a) (10).
113.14(h)	25.4(a) (11).
113.14(i) (1)	25.4(a) (12).
113.14(i) (2)	25.4(a) (13).
113.14(j)	25.4(a) (14).
113.14(k) (1)	25.4(a) (15).
113.14(k) (2)	25.4(a) (16).
113.14(l)	25.4(a) (17).
113.14(m) (1)	25.4(a) (18).
113.14(m) (2)	25.4(a) (19)
113.14(n)	25.4(a) (21).
113.14(o)	25.4(a) (22).
113.14(p)	25.4(a) (34).
113.14(q)	25.4(a) (23).
113.14(r)	25.4(a) (24).
113.14(s)	25.4(a) (25).
113.14(t) (1)	25.4(a) (26).
113.14(t) (2)	25.4(a) (27).
113.14(u)	25.4(a) (33).
113.14(v)	25.4(a) (28).
113.14(w)	25.4(a) (35).
113.14(x) (1)-(2)	New.
113.14(y)	New.
113.14(z)	25.4(a) (29).
113.14(aa)	25.4(a) (30).
113.14(bb)	25.4(a) (32).
113.14(cc)-(gg)	New.
113.15	None.
113.16	25.4(b).
113.17	25.4(c).
113.18	25.4(a).
113.21(a)	25.5(a) and 25.8(a).

Revised Section	Superseded Section
113.21(b)	25.5(c).
113.21(c)	25.4(b).
113.21(d)	25.4(b).
113.21(e)	25.4(b).
113.22(a)	25.5(a).
113.22(b)	25.5(b).
113.22(c)	25.5(a).
113.23(a)	None.
113.23(b)	25.5(d).
113.23(c)	25.5(d).
113.23 (d) and (e)	None.
113.24(a)	25.6(a).
113.24(b)	25.6(b).
113.25	25.5(c).
113.26(a)	25.2(a).
113.26(b)	25.2(b).
113.26(c) and (d)	25.2,b).
113.27	25.3(b).
113.31	None.
113.32(a)	25.13.
113.32(b)	25.13.
113.33(a)	25.7(b).
113.33(b)	25.7(a).
113.33(c)	None.
113.34(a)	25.8(d).
113.34(b)	25.8(a).
113.34(c)	25.8(a), 25.5(a) and 25.8(b).
113.34(d)	25.8(c).
113.35(a)	25.9(a).
113.35(b)	25.9(a), 25.9(e), 25.9 (f), and 25.9(b).
113.35(c)	25.9(a).
113.35(d)	25.9(c).
113.35(e)	25.9(d).
113.36	25.11.
113.37(a)	25.12(a).
113.37(b)	25.8(d).
113.37(c)	None.
113.37(d)	25.8(a).
113.37(e)	25.12(b).
113.37(f)	25.12(c) and 25.12 (d).
113.38(a)	25.10(a).
113.38(b)	25.10(b).
113.39(a)	25.14.
113.39(b)	25.14.
113.39(c)	25.14.
113.41	25.16(a).
113.42	25.16(c).
113.43(a)	25.18(a).
113.43 (b) and (c)	25.18(c).
113.44(a)	25.18(d).
113.44(b)	25.18(d).
113.45	25.16(b).
113.46	None.
113.51	None.
113.52	25.15(e).
113.53(a)	25.17(f).
113.53(b)	25.17(f).
113.54(a)	None.
113.54(b)	None.
113.55(a)	Footnote 5.
113.55 (b) and (c)	25.15(a).
113.55(d)	25.15(b), 25.15(a), and 25.15(c).
113.55(e)	25.15(d).
113.61(a)	25.4(a) (35).
113.61(b)	25.4(a) (35).
113.62(a)	25.4(a) (25).
113.62(b)	25.4(a) (25).

[FR Doc.74-20376 Filed 9-3-74;8:45 am]

Title 20—Employees' Benefits

CHAPTER III—SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

[Reg. No. 16]

PART 416—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED (1974—)

Subpart A—Introduction, General Provisions, and Definitions

GRANDFATHER PROVISIONS AND DEFINITIONS

On January 14, 1974, there was published in the FEDERAL REGISTER (39 FR 1779) a notice of proposed rule making and a proposed amendment to Subpart A of Regulation No. 16. The proposed amendment provides definitions pertaining to grandfather provisions and policy relating to the Social Security Administration making determinations with respect to the receipt of aid or assistance for December 1973 under an approved State plan under title I, X, XIV, or XVI of the Social Security Act.

Interested parties were given the opportunity to submit within 30 days, data, comments, or arguments with regard to the proposed amendments.

Five comments were received that had objections to the proposed regulations. The Seattle Urban League, the Church Council of Greater Seattle, the Skid Road Community Council, and the Department of Social Services, State of New York, objected to paragraph (c) of § 416.121 because it leaves the determination as to whether an individual was a recipient of aid or assistance for December 1973 strictly to the Social Security Administration although the Social Security Administration did not originally determine eligibility. They are very concerned that the Social Security Administration will be reversing many of the States' eligibility determinations. No change has been made; since supplementary security income is a Federal program, it would be inconsistent for the State to make binding decisions affecting a Federal program. The determination by the Social Security Administration that the individual was or was not a recipient under the State plan for December 1973 applies only to whether the "grandfathering" provisions are applicable and does not affect the States' prior determination insofar as they pertain to the State program.

The Ohio Department of Public Welfare objected to paragraphs (a) and (b) because they could be read or interpreted to disallow grandfather status to individuals receiving aid in December 1973 without first providing them with a prior hearing. However, reductions, suspensions, or terminations of supplemental security income, are subject to the requirement of notice and opportunity for hearing as set forth in Subparts M and N of these regulations. The Seattle Urban League, the Church Council of Greater Seattle, and the Skid Road Community Council indicated that the provisions of paragraph (a) may result in denying assistance to persons who were eligible under the State program, but who were terminated due to a departmental error, or who were ineligible only for one month, due to overpayment. However, paragraph (a) states, "It also includes an individual who filed an application prior to January 1974 and was otherwise eligible for aid or assistance." Therefore, this suggestion was not adopted because individuals who did not receive aid or assistance for December 1973 due to a prior overpayment or departmental error will not be denied since they were "otherwise eligible."

The proposed amendments are hereby adopted without substantive change except for the addition of paragraph (d) which reflects the provision of Pub. L. 93-233 that to be "grandfathered," a recipient of aid or assistance (on the basis of disability) in December 1973 must have also received aid or assistance for at least one month prior to July 1973. Two editorial changes have been made for the sake of clarity.

(Secs. 1102, 1611(a), 1611(g), 1611(h), 1614 (a), and 1631(d)(1), Social Security Act as amended; sections 211 and 212 of Pub. L. 93-66, and section 9(2) of Pub. L. 93-233, 49 Stat. 647, as amended, 86 Stat. 1471, and 1476, 87 Stat. 154, 155, 957; 42 U.S.C. 1302, 1382(a), 1382(g), 1382(h), 1382c(a), 1383 (d)(1))

Effective date. The amendments shall be effective on September 4, 1974.

(Catalog of Federal Domestic Assistance Program No. 13.807, Supplemental Security Income Program.)

Dated: August 6, 1974.

J. B. CARDWELL,
Commissioner of Social Security.

Approved: August 28, 1974.

FRANK CARLUCCI,
Acting Secretary of Health, Education, and Welfare.

Part 416 of Chapter III of Title 20 of the Code of Federal Regulations is amended by adding § 416.121 to Subpart A to read as follows:

§ 416.121 Receipt of aid or assistance for December 1973 under an approved State plan under title I, X, XIV, or XVI of the Social Security Act.

(a) *Recipient of aid or assistance defined.* As used in this Part 416, the term "individual who was a recipient of aid or assistance for December 1973" under a State plan approved under title I, X, XIV, or XVI of the Social Security Act means an individual who correctly received aid or assistance under such plan for December 1973 even though such aid or assistance may have been received subsequent to December 1973. It also includes an individual who filed an application prior to January 1974 and was otherwise eligible for aid or assistance for December 1973 under the provisions ceive such aid or assistance. It does not include an individual who received aid or assistance because of the pdovisions of 45 CFR § 205.10(a) (pertaining to continuation of assistance until a fair hearing decision is rendered), as in effect in December 1973, and with respect to whom it is subsequently determined that such aid or assistance would not have been received without application of the provisions of such 45 CFR § 205.10(a).

(b) *Aid or assistance defined.* As used in this Part 416, the term "aid or assistance" means aid or assistance as defined in titles I, X, XIV, and XVI of the Social Security Act, as in effect in December 1973, and such aid or assistance is eligible for Federal financial participation in accordance with those titles and the provisions of 45 CFR Chapter II as in effect in December 1973.

(c) *Determinations of receipt of aid or assistance for December 1973.* For the purpose of application of the provisions of this Part 416, the determination as to whether an individual was a recipient of aid or assistance for December 1973 under a State plan approved under title I, X, XIV, or XVI of the Social Security Act will be made by the Social Security Administration. In making such determination, the Social Security Administration may take into consideration a prior determination by the appropriate State agency as to whether the individual was eligible for aid or assistance for December 1973 under such State plan. Such prior determination, however, shall not be considered as conclusive in determining whether an individual was a recipient of aid or assistance for December 1973 under a State plan approved under title I, X, XIV, or XVI of the Social Security Act for purposes of application of the provisions of this Part 416.

(d) *Special provision for disabled recipients.* For purposes of § 416.901(b), the criteria and definitions enumerated in paragraphs (a) through (c) of this section are applicable in determining whether an individual was a recipient of aid or assistance (on the basis of disability) under a State plan approved under title XIV or XVI of the Act for a month prior to July 1973. It is not necessary that the aid or assistance for December 1973 and for a month prior to July 1973 have been paid under the State plan of the same State.

[FR Doc.74-20354 Filed 9-3-74;8:45 am]

Title 21—Food and Drugs

CHAPTER I—FOOD AND DRUG ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

SUBCHAPTER C—DRUGS

PART 135a—NEW ANIMAL DRUGS FOR OPHTHALMIC AND TOPICAL USE

N-(Mercaptomethyl) Phthalimide S-(O-O-Dimethyl Phosphorodithioate)

The Commissioner of Food and Drugs has evaluated a supplemental new animal drug application (44-757V) filed by Stauffer Chemical Co., 1200 South 47th St., Richmond, CA 94804, proposing safe and effective use of *N*-(mercaptomethyl) phthalimide *S*-(*O*,*O*-dimethyl phosphorodithioate) for control of cattle ticks on beef cattle. The application also proposed label revisions regarding indications for use. The supplemental application is approved.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i))) and under authority delegated to the Commissioner (21 CFR 2.120), Part 135a is amended in § 135a.14 by revising paragraph (c) to read as follows:

§ 135a.14 N-(Mercaptomethyl) phthalimide S-(O,O-dimethyl phosphorodithioate) emulsifiable liquid.

* * * * *

(c) *Conditions of use*—(1) *Methods of application.* Methods of application to control the following conditions on beef cattle:

To control	Method of use
Grubs	Dip, pour-on, or spray.
Lice	Do.
Hornflies	Dip or spray.
Cattle ticks	Spray.
Southern cattle ticks	Do.

(i) *Dip vat procedure.* (*a*) Prior to charging vat, empty old contents and thoroughly clean the vat. Add water to the vat. Add the drug at a rate of 1 gallon to each 60 gallons water. Add triple super phosphate at a rate of 100 pounds per 1,000 gallons of vat solution. Super phosphate is added to control the pH of the solution and insure vat stability. Super phosphate is usually available at most fertilizer dealers as 0-45-0, or 0-46-0. Stir the vat thoroughly, preferably with a compressed air device; however, any form of thorough mixing is adequate. Re-stir vat contents prior to each use. During the dipping operation, each time the vat's volume is reduced by ¼ of its initial volume, replenish the vat with water and add the drug at a rate of 1 gallon for each 50 gallons water added. Also add super phosphate at a rate of 10 pounds per 100 gallons of additional solution. Stir well and resume dipping. Repeat replenishment process as necessary. For evaporation, add additional water accordingly. For added water due to rainfall, merely replenish vat with the product according to directions.

(*b*) Vat should be emptied, cleaned, and recharged each time one of the following occurs: When the vat has been charged for 60 days. When the dip becomes too foul for satisfactory use, within the 60-day limit. If the number of animals dipped equals the number of gallons of the initial bath volume, within the 60-day limit.

(ii) *Spray method.* To prepare the spray, mix 1 gallon of the drug with 49 gallons of water and stir thoroughly. Apply the fresh mixture as a high-pressure spray, taking care to wet the skin, not just the hair. Apply to the point of "runoff", about 1 gallon of diluted spray per adult animal. Lesser amounts will permit runoff for younger animals.

(iii) *Pour-on method.* Dilute 1 part of the drug with 2 parts of water by slowly adding the water to the product while stirring. Apply 1 ounce of the diluted mixture per 100 pounds of body weight (to a maximum of 8 ounces per head) down the center line of the back.

(2) *Timing of applications for cattle grub control.* For optimum cattle grub control, it is important to treat as soon as possible after the heel fly season, before the grub larvae reach the gullet or spinal canal, as the rapid kill of large numbers of larvae in these tissues may cause toxic side effects such as bloat, salivation, staggering, and paralysis.

(3) *Warnings.* The drug is a cholinesterase inhibitor. Do not use this drug on animals simultaneously or within a few days before or after treatment with or exposure to cholinesterase-inhibiting drugs, pesticides, or chemicals. Do not apply within 21 days of slaughter. For use on beef cattle only. Do not treat sick, convalescent, or stressed cattle, or calves less than 3 months old except in Federal or State eradication programs where immediate treatment of all animals in an infested herd is mandatory. Be sure free access to drinking water is available to cattle prior to dipping. Do not dip excessively thirsty animals. Do not dip animals when overheated. Repeat treatment as necessary but not more often than every 7 to 10 days. Treatment for lice, ticks, and hornflies may be made any time of the year except when cattle grub larvae are in the gullet or spinal canal. Treatment for lice and ticks may be made any time 7 to 10 days following treatment for grubs. Do not treat grubs when the grub larvae are in the gullet or spinal canal. Do not get in eyes, on skin, or on clothing. Do not breathe spray mist. Wear rubber gloves, goggles, and protective clothing. In case of skin contact, wash immediately with soap and water;