a manner satisfactory to the Secretary and the advance will be subject to such other terms and conditions as required by the Secretary."

16. Section 298.32 is amended as follows:

a. By inserting in paragraph (b)(6), after the word "Vessel", each time it appears, the words "or Eligible Export Vessel".

b. By revising paragraph (a)(6) to read as follows:

§298.32 Required provisions in documentation.

(a) Performance under shipyard and related contracts. * * *

(6) Requiring that for:

(i) Coastwise Trade, U.S.-Flag 48 Vessels, that all components of the hull and superstructure are fabricated in the United States and the Vessel is assembled entirely in the United States with either U.S. or foreign source machinery, equipment or hull and superstructure material which has been fabricated in a foreign facility, to the extent allowed by U.S. Coast Guard regulations;

(ii) Non-Coastwise Trade, U.S.-Flag Vessels, that the Vessel is assembled entirely in the United States and may have material which has been fabricated in a foreign facility, to the extent allowed by U.S. Coast Guard regulations; and

(iii) Eligible Export Vessels, that the Vessel is assembled in a United States shipyard. If Obligations will not be issued during the period of construction of a Vessel, shipyard related contracts shall generally include the provisions specified in paragraphs (a)(2) and (a)(3) and applicable provision(s) of this paragraph (a)(6).

17. Section 298.36, Annual Guarantee Fee, is amended as follows:

a. By removing the third sentence in paragraph (b), *Rate calculation*.

b. By removing paragraphs (f), Adjustment of Guarantee Fee, (g), Increase in Guarantee Fee due to Security Default, and (i), Interest on late payment of Guarantee Fees, and redesignating paragraph (h) as paragraph (f).

c. By revising paragraph (e) to read as follows:

§ 298.36 Annual Guarantee Fee.

(e) Payment of Guarantee Fee. The Guarantee Fee covering the full period of the stated maturity of the Obligations commencing with the date of the Security Agreement shall be paid to the Secretary concurrently with the execution and delivery of said Agreement. The project's entire Guarantee Fee payment shall be made by the Obligor to the Secretary in an amount equal to the sum of the present value of the separate products obtained by applying the Guarantee Fee rate to the projected amount of the Obligations Outstanding for each year of the stated maturity of the Obligations. In calculating the present value used in

determining the amount of the Guarantee Fee to be paid, MARAD will use a discount rate based on information contained in the Department of Commerce's Economic Bulletin Board quarterly rates. Under no circumstances will the Secretary refund the Guarantee Fee to the Obligor. A Guarantee Fee paid pursuant to this section may be included in Actual Cost and is eligible to be financed.

§298.42 [Amended]

18. Section 298.42, Reporting requirements—financial statements, is amended as follows:

a. In the introductory paragraph, by removing the word "accounts" in the first sentence and inserting in its place the term "financial statements".

b. By revising the seventh and eighth sentences of paragraph (a), *Reports of Company and other Persons*, to read as follows: "The annual report shall be accompanied by the public accountant's report based on an audit of the company's financial statements. An audit by the public accountants of the financial statements contained in the company's semiannual report may be required by the Secretary."

Dated: April 19, 1995.

By Order of the Maritime Administrator. Joel C. Richard

Secretary, Maritime Administration. [FR Doc. 95–10195 Filed 4–25–95; 8:45 am] BILLING CODE 4910–81–P