

returned to the Secretary. In case such license shall apply to other warehouses the Secretary shall issue him a new license, omitting the names of the warehouses covering which licenses have been revoked or canceled. Such new license shall be posted as prescribed in § 742.64.

§ 742.75 Lost or destroyed licenses.

Upon satisfactory proof of the loss or destruction of a license issued to a licensed inspector, licensed grader, or licensed weigher, a duplicate thereof may be issued under the same or a new number, in the discretion of the Secretary.

§ 742.76 Unlicensed inspectors, graders, weighers; misrepresentation.

No person shall in any way represent himself to be an inspector, grader, or weigher licensed under the act unless he holds an unsuspended, unrevoked, and uncanceled license issued under the act.

COTTONSEED GRADING

§ 742.77 Classification; statement.

Whenever the grade or condition of cottonseed is required to be or is stated for the purposes of this act and the regulations in this part, it shall be stated in accordance with §§ 742.78 and 742.79.

§ 742.78 Standards to be used.

Until such time as official cottonseed grades of the United States are in effect, the grade and condition of cottonseed shall be stated as far as applicable (a) in accordance with the State standards, if any, established in the State in which the warehouse is located, (b) in the absence of any State standards, in accordance with the standards, if any, adopted by any cottonseed organization or by the cottonseed trade generally in the locality in which the warehouse is located, subject to the disapproval of the Administrator, or (c) in the absence of the aforesaid standards in accordance with any standards approved by the Administrator.

§ 742.79 Statement of grade; condition.

Whenever the grade or condition of the cottonseed is stated for the purposes of this act and this part, the

terms used shall be correctly applied and shall be so selected as not to convey a false impression of the cottonseed. In case of doubt as to the grade or condition of a given lot of cottonseed a determination shall be made of such facts by drawing at least six samples of five (5) pounds each, fairly representative of the contents of the car, or two samples of two (2) pounds each fairly representative of the contents of the wagon from the various parts of the carload or wagonload of cottonseed offered for storage. These samples shall be thoroughly mixed and after being so mixed, from this mixture by quartering, not less than 100 grams shall be taken, which shall constitute the sample for the purpose of determining the grade.

ARBITRATION

§ 742.80 Arbitration.

(a) Except when agreements have been made in accordance with the "United States Arbitration Act" (43 Stat. 883; 9 U.S.C. 1-14), in case a question arises as to whether the condition, grade, or weight of cottonseed was correctly stated in a receipt, inspection certificate, grade certificate, or weight certificate issued under the act and the regulations in this part or as to whether an official sample was properly drawn by a licensed inspector in accordance with the regulations in this part, the licensed warehouseman concerned or any person financially interested in the cottonseed involved may, after reasonable notice to the other interested party, submit the question to an arbitration committee for determination in accordance with this section.

(b) Such arbitration committee shall be composed of three or more disinterested persons who are competent to pass upon the questions involved. If there be a local trade organization such as a board of trade, chamber of commerce, exchange, or inspection department which provides such a committee under a rule or practice acceptable to the Administrator for the purpose, such a committee may determine the question. In the absence of such a committee, or if for any good reason not inconsistent with the act and the

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regulations in this part such committee is not acceptable to either of the parties interested the complainant and the other party shall each name a member and the two members so named shall select a third member, who shall constitute the arbitration committee. Each member of any such committee shall at all times be subject, for good cause, to the disapproval of the Administrator, and in case any member is so disapproved he shall not thereafter act on an arbitration committee which is considering any questions relating to the same lot of cottonseed unless such disapproval be withdrawn.

(c) It shall be the duty of the interested parties to acquaint the arbitration committee with the exact nature of the question to be determined and all the necessary facts and to permit the committee to examine the receipt, certificate, sample, or cottonseed involved or any papers or records needed for the determination of the question. The committee shall make a written finding setting forth the question involved, the necessary facts, and its determination. Such findings or a true copy thereof, shall be filed as a part of the records of the licensed warehouseman involved. It may dismiss the matter without determination upon the request of the complainant, or for non-compliance by the complainant with the law or the regulations in this part, or because it is without sufficient evidence to determine the question, in which case the decision shall be deemed to be against the complainant. Except as otherwise provided by law, its decision shall be final for the purposes of the act and the regulations in this part, unless the Administrator shall direct a review of the question. Any necessary and reasonable expense of such arbitration shall be borne by the losing party, unless the committee shall decide that such expense shall be prorated between the parties.

(d) If the decision of the arbitration committee be that the grade, condition, or weight was not correctly stated, the receipt or certificate involved shall be returned to and canceled by the licensee who issued it and he shall substitute therefor one conforming to the decision of the committee. If the

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decision of the committee be that a sample was not properly drawn in accordance with the regulations in this part, it shall cease to be an official sample for the purposes of regulations in this part, and the licensed inspector, at the request of any of the parties of the arbitration, shall draw and substitute a new sample, complying with this part with respect to such sample.

[SRA, BAE 102, as amended Sept. 1926. Redesignated at 50 FR 1814, Jan. 14, 1985]

MISCELLANEOUS

§ 742.81 Bonds required.

Every person applying for a license, or licensed under section 9 of the act shall as such, be subject to all portions of the regulations in this part except § 742.5, so far as they may relate to warehousemen. In case there is a law of any State providing for a system of warehouses owned, operated, or leased by such State, a person applying for a license under section 9 of the act, to accept the custody of cottonseed and to store the same in any of said warehouses, may, in lieu of a bond or bonds, complying with §§ 742.12 and 742.13, file with the Secretary a single bond meeting the requirements of the act and the regulations in this part, in such form, and in such amount not less than \$5,000 as he shall prescribe, to insure the performance by such person, with respect to the acceptance of the custody of cottonseed and its storage in the warehouse in such system for which licenses are or may be issued, of his obligations arising during the periods of such licenses, and in addition, if desired by the applicant, during the periods of any modifications or extensions thereof. In fixing the amount of such bond, consideration shall be given, among other appropriate factors, to the character of the warehouses involved, their actual or contemplated capacity, the bonding requirements of the State, and its liability with respect to such warehouses. If the Secretary shall find the existence of conditions warranting such action, there shall be added to the amount of the bond so fixed, a further amount, fixed by him, to meet such conditions.