

purpose of meeting the insurance and bonding requirements of the regulations in this part, pay such premiums, permit such reasonable inspections and examinations, and make such reasonable reports as may be provided for in such contracts.

(d) Each warehouseman shall promptly take such steps as may be necessary and proper to collect any moneys which may become due under contracts of insurance entered into by him for the purpose of meeting the requirements of the regulations in this part, and shall, as soon as collected, promptly pay over to the persons concerned any portion of such moneys which they may be entitled to receive from him.

§ 738.28 System of accounts.

(a) Each warehouseman shall use for his warehouse a system of accounts, approved for the purpose by the Department, which shall show for each lot of wool received, its weight, the number of bags or bales, its grade when its grade is required to be, or is, ascertained, its location in the warehouse, the dates received for and delivered out of storage, the receipt issued and canceled, and a separate record for each depositor of wool, and such accounts shall include a detailed report of all moneys received and disbursed and of all insurance policies taken out and canceled. In addition, for wool the identity of which is to be preserved, the accounts shall show its identification in accordance with § 738.34, and for wool the identity of which is not preserved the accounts shall show the designation of the lot or pile of which it is a part and the estimate of the shrinkage of such wool stated on the receipt therefor. Such records shall be retained by the warehouseman for a period of six years after December 31 of the year in which created, and for such longer period as may be necessary for the purposes of any litigation which the warehouseman knows to be pending, or as may be required by the Administrator in particular cases to carry out the purposes of the Act.

(b) Each warehouseman shall provide a metal fireproof safe, a fireproof vault, or a fireproof compartment in which he shall keep, when not in actual

use, all records, books, and papers pertaining to the warehouse, including his current receipt book, copies of receipts issued, and canceled receipts, except that, with the written approval of the Department upon a showing by such warehouseman that it is not practicable to provide such fireproof safe, vault, or compartment, he may keep such records, books, and papers in some other place of safety approved by the Administrator or his representatives. Each canceled receipt shall be retained by the warehouseman for a period of six years after December 31 of the year in which the receipt is canceled and for such longer period as may be necessary for the purposes of any litigation which the warehouseman knows to be pending, or as may be required by the Administrator in particular cases to carry out the purposes of the act. Canceled receipts shall be arranged by the warehouseman in numerical order and otherwise in such manner as shall be directed, for purposes of audit, by authorized officers or agents of the Department of Agriculture.

(Approved by the Office of Management and Budget under control number 0560-0120)

[5 FR 3607, Sept. 10, 1940, as amended at 22 FR 1629, Mar. 14, 1957; 29 FR 13369, Sept. 26, 1964; 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 738.29 Reports; copies.

(a) Each warehouseman shall from time to time make such reports as the Administrator or his representative may require, on forms furnished for the purpose by the Service, concerning the condition, contents, operation, and business of the warehouse.

(b) Each warehouseman shall keep on file, as a part of the records of the warehouse, for a period of three years after December 31 of the year in which submitted, an exact copy of each report submitted by such warehouseman under the regulations in this part. Copies of grade and weight certificates as are required to be filed by him by § 738.57 shall be retained, as a part of the records of the warehouse, for a period of one year after December 31 of

the year in which the receipt based on such certificates is canceled.

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[5 FR 3607, Sept. 10, 1940, as amended at 29 FR 13369, Sept. 26, 1964; 47 FR 745, Jan. 7, 1982. Redesignated at 50 FR 1814, Jan. 14, 1985]

§ 738.30 Canceled receipts; auditing.

Each warehouseman, if requested by the Service, shall forward canceled receipts for auditing to an entity or office of the Service as may be designated from time to time.

[62 FR 33541, June 20, 1997]

§ 738.31 Warehouse charges.

A warehouseman shall not make any unreasonable or exorbitant charge for services rendered. Before a license to conduct a warehouse is granted the warehouseman shall file with the Service a copy of his rules and a schedule of charges to be made by him if licensed. Before making any change in such rules or schedule of charges he shall file with the Service a statement in writing showing the proposed change and the reasons therefor. Each warehouseman shall keep exposed conspicuously, in the place prescribed by § 738.6 and at such other place, accessible to the public, as the Department may from time to time designate, a copy of his current rules and schedule of charges.

§ 738.32 [Reserved]

§ 738.33 Examination of warehouses.

Each warehouseman shall permit any officer or agent of the Department, authorized by the Secretary, or his designated representative, for the purpose, to enter and inspect or examine at any time any warehouse for the conduct of which such warehouseman holds a license, the office thereof, the books, records, papers, and accounts relating thereto, and the contents thereof, and shall furnish such officer or agent the assistance necessary to enable him to make any such inspection or examination under this section.

§ 738.34 Identity-preserved wool.

Upon the acceptance by a warehouseman for storage in his warehouse of any lot of wool, the identity of which is to be preserved, he shall store, or cause to be stored, such wool in an individual section or space designated by lot numbers, or by letters, or other clearly distinguishing words or signs, permanently and securely affixed thereto, or shall so mark the container or containers of such wool or so place the wool in the warehouses that its identity will not be lost during the storage period.

§ 738.35 Arrangement of wool.

Each warehouseman shall arrange the bags or bales of wool in his warehouse so that each lot can be identified and the bags or bales in each lot readily checked. If tiered the bags or bales may be stored in double rows but one end of each bag so tiered shall face an aisle. Bulk wool shall be so stored that it may readily be measured and the quantity therein estimated. To each lot whether of bagged, baled, or bulk wool shall be secured a tag, which shall always be accessible and plainly visible, showing the lot or pile number and the number of bags or bales and, if bulk wool, the pounds of wool therein. For any wool which has been temporarily removed from a lot for display, sampling, or other purposes proper notation shall be made on the reverse side of the lot tag showing the quantity so removed and its location. Such notation shall be stricken out upon the return of the wool to its lot.

§ 738.36 Wet or fire-damaged wool.

A warehouseman shall not store any wool that is excessively wet in contact with any other wool in the warehouse. A warehouseman shall not store in the same compartment with wool that has not been damaged by fire any bag or lot of wool that has been damaged by fire until the fire-damaged wool has been removed from the bag or lot, and then he shall not store it in contact with wool that has not been so damaged.