

(d) For the purpose of this section the following terms used in connection with or to describe wool, shall be construed respectively to mean:

(1) *Excessively wrapped*. Wool tied with more wrappings of twine than is necessary to bundle properly folded and rolled fleeces.

(2) *Dead wool*. Wool from dead sheep.

(3) *Cotted wool*. Wool that has felted or matted on the sheep's back.

(4) *Burly wool*. Wool containing burrs removable by hand or mechanical means.

(5) *Seedy wool*. Wool containing seeds, chaff, or other vegetable matter.

(6) *Black, gray, or colored wool*. Entire fleeces or portions of fleeces of black, gray, or colored wool.

(7) *Damaged wool*. Wool damaged by fire, water, moisture, or moths.

(8) *Carbonizing wool*. Wool from which the burrs or other substances can be removed only by carbonizing.

(9) *Kempey wool*. Wool containing kemps, opaque, white fibers, found generally in the fleeces of old or sick sheep.

(10) *False packed*. A fleece so packed as fraudulently to conceal substances entirely foreign to wool.

(11) *Lamb's wool*. The first fleeces shorn from young sheep.

(12) *Buck's*. The heavy, oily fleeces shorn from male sheep.

(13) *Bright*. Bright, white lustrous wool.

(14) *Semibright*. Lustrous wool dulled in color by the foreign matter it contains.

§ 738.66 Examination; basis of grade.

Whenever the grade of wool is required to be or is stated for the purposes of the act or the regulations in this part, it shall be based upon a careful and thorough examination of the wool, and the grading thereof shall be made under conditions which permit the determination of its true grade.

§ 738.67 Wool standard forms.

Each warehouseman and grader shall keep himself provided with, or have access to, a set of practical forms of the official wool standards of the United States.

CROSS REFERENCES: For official wool standards of the United States, and for forms of the official standards, see 7 CFR part 31 of this chapter.

ARBITRATION

§ 738.68 Wool 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 shrinkage of the wool was correctly stated in a receipt, or grade certificate issued under the act and the regulations in this part, the licensed warehouseman or the lawful holder of the receipt or certificate concerned, after reasonable notice to the other interested party, may 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 as committee may determine the question. In the absence of such committee, or if for any good reason not inconsistent with the act and the 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 wool 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,

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certificate, or wool 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 noncompliance 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 by that the grade, condition, or shrinkage 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.

[5 FR 3607, Sept. 10, 1940, as amended at 13 FR 8729, Dec. 30, 1948. Redesignated at 50 FR 1814, Jan. 14, 1985]

MISCELLANEOUS

§ 738.69 Bonds required of State warehouses.

Every person applying for a license under section 9 of the act, or licensed thereunder, shall, as such, be subject to all portions of the regulations in this part, except § 738.5, so far as they relate to warehousemen. If 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 wool and to store the same in any of said warehouses may, in lieu of a bond or bonds, complying with §§ 738.11 and 738.12, file with

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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 wool and its storage in the warehouses 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 amendments thereto. 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, or his designated representative, 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.

§ 738.70 Publications.

Publications under the act and the regulations in this part shall be made in such media as may be deemed proper by the Administrator.

[62 FR 33541, June 20, 1997]

§ 738.71 Violations to be reported.

Every person licensed under the act shall immediately furnish the Department any information which comes to the knowledge of such person tending to show that any provision of the act or the regulations in this part has been violated.

§ 738.72 Procedure in hearings.

Hearings under the Act or the regulations in this part, except those relating to appeals or arbitrations shall be conducted in accordance with the Rules of Practice Governing Formal Adjudicatory Administrative Proceedings Instituted by the Secretary under various statutes (7 CFR 1.130—1.151).

[45 FR 6775, Jan. 30, 1980. Redesignated at 50 FR 1814, Jan. 14, 1985]