

106TH CONGRESS
2D SESSION

S. 2734

To amend the United States Warehouse Act to authorize the issuance of electronic warehouse receipts, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 15, 2000

Mr. FITZGERALD introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the United States Warehouse Act to authorize the issuance of electronic warehouse receipts, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Warehouse Improve-
5 ment Act of 2000”.

6 **SEC. 2. STORAGE OF AGRICULTURAL PRODUCTS IN WARE-**
7 **HOUSES.**

8 The United States Warehouse Act (7 U.S.C. 241 et
9 seq.) is amended to read as follows:

1 **“SECTION 1. SHORT TITLE.**

2 “This Act may be cited as the ‘United States Ware-
3 house Act’.

4 **“SEC. 2. DEFINITIONS.**

5 “In this Act:

6 “(1) **AGRICULTURAL PRODUCT.**—The term ‘ag-
7 ricultural product’ means an agricultural commodity,
8 as determined by the Secretary, including a proc-
9 essed product of an agricultural commodity.

10 “(2) **APPROVAL.**—The term ‘approval’ means
11 the consent provided by the Secretary for a person
12 to engage in an activity authorized by this Act.

13 “(3) **DEPARTMENT.**—The term “Department”
14 means the Department of Agriculture.

15 “(4) **ELECTRONIC DOCUMENT.**—The term ‘elec-
16 tronic document’ means a document authorized
17 under this Act generated, sent, received, or stored by
18 electronic, optical, or similar means, including elec-
19 tronic data interchange, electronic mail, telegram,
20 telex, or telecopy.

21 “(5) **ELECTRONIC RECEIPT.**—The term ‘elec-
22 tronic receipt’ means a receipt that is authorized by
23 the Secretary to be issued or transmitted under this
24 Act in the form of an electronic document.

25 “(6) **HOLDER.**—

1 “(A) IN GENERAL.—The term ‘holder’
2 means a person, as defined by the Secretary,
3 that has possession in fact or by operation of
4 law of a receipt or any electronic document.

5 “(B) INCLUSION.—The term ‘holder’ in-
6 cludes a person that has possession of a receipt
7 or electronic document as a creditor of another
8 person.

9 “(7) PERSON.—The term ‘person’ means—

10 “(A) a person (as defined in section 1 of
11 title 1, United States Code);

12 “(B) a State; and

13 “(C) a political subdivision of a State.

14 “(8) RECEIPT.—The term ‘receipt’ means a
15 warehouse receipt issued in accordance with this
16 Act, including an electronic receipt.

17 “(9) SECRETARY.—The term ‘Secretary’ means
18 the Secretary of Agriculture.

19 “(10) WAREHOUSE.—The term ‘warehouse’
20 means a structure or other approved storage facility,
21 as determined by the Secretary, in which any agri-
22 cultural product may be stored or handled for the
23 purposes of interstate or foreign commerce.

24 “(11) WAREHOUSE OPERATOR.—The term
25 ‘warehouse operator’ means a person that is lawfully

1 engaged in the business of storing or handling agri-
2 cultural products.

3 **“SEC. 3. POWERS OF SECRETARY.**

4 “(a) IN GENERAL.—The Secretary shall have exclu-
5 sive power, jurisdiction, and authority, to the extent that
6 this Act applies, with respect to—

7 “(1) each warehouse operator licensed under
8 this Act;

9 “(2) each person that has obtained an approval
10 to engage in an activity under this Act; and

11 “(3) each person claiming an interest in an ag-
12 ricultural product by means of an electronic docu-
13 ment or electronic receipt subject to this Act.

14 “(b) COVERED AGRICULTURAL PRODUCTS.—The
15 Secretary shall specify, after an opportunity for notice and
16 comment, those agricultural products for which a ware-
17 house license may be issued under this Act.

18 “(c) INVESTIGATIONS.—The Secretary may inves-
19 tigate the storing, warehousing, classifying according to
20 grade and otherwise, weighing, and certifying of agricul-
21 tural products.

22 “(d) INSPECTIONS.—The Secretary may inspect or
23 cause to be inspected any person or warehouse licensed
24 under this Act and any warehouse for which a license is
25 applied for under this Act.

1 “(e) SUITABILITY FOR STORAGE.—The Secretary
2 may determine whether a licensed warehouse, or a ware-
3 house for which a license is applied for under this Act,
4 is suitable for the proper storage of the agricultural prod-
5 uct or products stored or proposed for storage in the ware-
6 house.

7 “(f) CLASSIFICATION.—The Secretary may classify a
8 licensed warehouse, or a warehouse for which a license is
9 applied for under this Act, in accordance with the owner-
10 ship, location, surroundings, capacity, conditions, and
11 other qualities of the warehouse and as to the kinds of
12 licenses issued or that may be issued for the warehouse
13 under this Act.

14 “(g) WAREHOUSE OPERATOR’S DUTIES.—Subject to
15 the other provisions of this Act, the Secretary may pre-
16 scribe the duties of a warehouse operator operating a
17 warehouse licensed under this Act with respect to the
18 warehouse operator’s care of and responsibility for agricul-
19 tural products stored or handled by the warehouse oper-
20 ator.

21 “(h) SYSTEMS FOR CONVEYANCE OF TITLE IN AGRICUL-
22 TURAL PRODUCTS.—The Secretary may approve 1 or
23 more systems under which title in agricultural products
24 may be conveyed and under which documents relating to
25 the shipment, payment, and financing of the sale of agri-

1 cultural products may be transferred, including convey-
2 ance of receipts and any other written or electronic docu-
3 ments in accordance with a process established by the Sec-
4 retary.

5 “(i) EXAMINATION AND AUDITS.—The Secretary
6 may conduct an examination, audit, or similar activity
7 with respect to—

8 “(1) any person that is engaged in the business
9 of storing an agricultural product that is subject to
10 this Act;

11 “(2) any State agency that regulates the stor-
12 age of an agricultural product by such a person; or

13 “(3) any commodity exchange with regulatory
14 authority over the storage of agricultural products
15 that are subject to this Act.

16 “(j) LICENSES FOR OPERATION OF WAREHOUSES.—
17 The Secretary may issue to any warehouse operator a li-
18 cense for the operation of a warehouse in accordance with
19 this Act if—

20 “(1) the Secretary determines that the ware-
21 house is suitable for the proper storage of the agri-
22 cultural product or products stored or proposed for
23 storage in the warehouse; and

1 “(2) the warehouse operator agrees, as a condi-
2 tion of the license, to comply with this Act (includ-
3 ing regulations promulgated under this Act).

4 “(k) LICENSING OF OTHER PERSONS.—

5 “(1) IN GENERAL.—On presentation of satisfac-
6 tory proof of competency to carry out the activities
7 described in this paragraph, the Secretary may issue
8 to any person a Federal license—

9 “(A) to inspect any agricultural product
10 stored or handled in a warehouse subject to this
11 Act;

12 “(B) to sample such an agricultural prod-
13 uct;

14 “(C) to classify such an agricultural prod-
15 uct according to condition, grade, or other class
16 and certify the condition, grade, or other class
17 of the agricultural product; or

18 “(D) to weigh such an agricultural product
19 and certify the weight of the agricultural prod-
20 uct.

21 “(2) CONDITION.—As a condition of a license
22 issued under paragraph (1), the licensee shall agree
23 to comply with this Act (including regulations pro-
24 mulgated under this Act).

1 “(1) EXAMINATION OF BOOKS, RECORDS, PAPERS,
2 AND ACCOUNTS.—The Secretary may examine, using des-
3 ignated officers, employees, or agents of the Department,
4 all books, records, papers, and accounts relating to activi-
5 ties subject to this Act of—

6 “(1) a warehouse operator operating a ware-
7 house licensed under this Act;

8 “(2) a person operating a system for the elec-
9 tronic recording and transfer of receipts and other
10 documents authorized by the Secretary; or

11 “(3) any other person issuing receipts or elec-
12 tronic documents authorized by the Secretary under
13 this Act.

14 “(m) COOPERATION WITH STATES.—The Secretary
15 may—

16 “(1) cooperate with officers and employees of a
17 State who administer or enforce State laws relating
18 to warehouses, warehouse operators, weighers, grad-
19 ers, inspectors, samplers, or classifiers; and

20 “(2) enter into cooperative agreements with
21 States to perform activities authorized under this
22 Act.

1 **“SEC. 4. IMPOSITION AND COLLECTION OF FEES.**

2 “(a) IN GENERAL.—The Secretary shall charge, as-
3 sess, and cause to be collected fees to cover the costs of
4 administering this Act.

5 “(b) RATES.—The fees under this section shall be set
6 at a rate determined by the Secretary.

7 “(c) TREATMENT OF FEES.—All fees collected under
8 this section shall be credited to the account that incurs
9 the costs of administering this Act and shall be available
10 to the Secretary without further appropriation and with-
11 out fiscal year limitation.

12 “(d) INTEREST.—Funds collected under this section
13 may be deposited in an interest bearing account with a
14 financial institution, and any interest earned on the ac-
15 count shall be credited under subsection (c).

16 “(e) EFFICIENCIES AND COST EFFECTIVENESS.—

17 “(1) IN GENERAL.—The Secretary shall seek to
18 minimize the fees established under this section by
19 improving efficiencies and reducing costs, including
20 the efficient use of personnel to the extent prac-
21 ticable and consistent with the effective implementa-
22 tion of this Act.

23 “(2) REPORT.—The Secretary shall publish an
24 annual report on the actions taken by the Secretary
25 to comply with paragraph (1).

1 **“SEC. 5. QUALITY AND VALUE STANDARDS.**

2 “If standards for the evaluation or determination of
3 the quality or value of an agricultural product are not es-
4 tablished under another Federal law, the Secretary may
5 establish standards for the evaluation or determination of
6 the quality or value of the agricultural product under this
7 Act.

8 **“SEC. 6. BONDING AND OTHER FINANCIAL ASSURANCE RE-**
9 **QUIREMENTS.**

10 “(a) IN GENERAL.—As a condition of receiving a li-
11 cense or approval under this Act (including regulations
12 promulgated under this Act), the person applying for the
13 license or approval shall execute and file with the Sec-
14 retary a bond, or provide such other financial assurance
15 as the Secretary determines appropriate, to secure the per-
16 son’s performance of the activities so licensed or approved.

17 “(b) SERVICE OF PROCESS.—To qualify as a suitable
18 bond or other financial assurance under subsection (a),
19 the surety, sureties, or financial institution shall be subject
20 to service of process in suits on the bond or other financial
21 assurance in the State, district, or territory in which the
22 warehouse is located.

23 “(c) ADDITIONAL ASSURANCES.—If the Secretary de-
24 termines that a previously approved bond or other finan-
25 cial assurance is insufficient, the Secretary may suspend
26 or revoke the license or approval covered by the bond or

1 other financial assurance if the person that filed the bond
2 or other financial assurance does not provide such addi-
3 tional bond or other financial assurance as the Secretary
4 determines appropriate.

5 “(d) **THIRD PARTY ACTIONS.**—Any person injured by
6 the breach of any obligation arising under this Act for
7 which a bond or other financial assurance has been ob-
8 tained as required by this section may sue with respect
9 to the bond or other financial assurance in a district court
10 of the United States to recover the damages that the per-
11 son sustained as a result of the breach.

12 **“SEC. 7. MAINTENANCE OF RECORDS.**

13 “To facilitate the administration of this Act, the fol-
14 lowing persons shall maintain such records and make such
15 reports, as the Secretary may by regulation require:

16 “(1) A warehouse operator that is licensed
17 under this Act.

18 “(2) A person operating a system for the elec-
19 tronic recording and transfer of receipts and other
20 documents that are authorized under this Act.

21 “(3) Any other person issuing receipts or elec-
22 tronic documents that are authorized under this Act.

23 **“SEC. 8. PRECLUSION OF LIABILITY.**

24 “Nothing in this Act creates any liability with respect
25 to the Secretary or any officer, employee, or agent of the

1 Department in any case in which a warehouse operator
2 or other person authorized by the Secretary to carry out
3 this Act fails to perform a contractual obligation that is
4 not subject to this Act (including regulations promulgated
5 under this Act).

6 **“SEC. 9. FAIR TREATMENT IN STORAGE OF AGRICULTURAL**
7 **PRODUCTS.**

8 “(a) IN GENERAL.—Subject to the capacity of a
9 warehouse, a warehouse operator shall deal, in a fair and
10 reasonable manner, with persons storing, or seeking to
11 store, an agricultural product in the warehouse if the agri-
12 cultural product—

13 “(1) is of the kind, type, and quality custom-
14 arily stored or handled in the area in which the
15 warehouse is located;

16 “(2) is tendered to the warehouse operator in a
17 suitable condition for warehousing; and

18 “(3) is tendered in a manner that is consistent
19 with the ordinary and usual course of business.

20 “(b) ALLOCATION.—Nothing in this section prohibits
21 a warehouse operator from entering into an agreement
22 with a depositor of an agricultural product to allocate
23 available storage space.

1 **“SEC. 10. COMMINGLING OF AGRICULTURAL PRODUCTS.**

2 “(a) IN GENERAL.—A warehouse operator may com-
3 mingle agricultural products in a manner approved by the
4 Secretary.

5 “(b) LIABILITY.—A warehouse operator shall be sev-
6 erally liable to each depositor or holder for the care and
7 redelivery of the share of the depositor and holder of the
8 commingled agricultural product to the same extent and
9 under the same circumstances as if the agricultural prod-
10 ucts had been stored separately.

11 **“SEC. 11. TRANSFER OF STORED AGRICULTURAL PROD-**
12 **UCTS.**

13 “(a) IN GENERAL.—In accordance with regulations
14 promulgated under this Act, a warehouse operator may
15 transfer a stored agricultural product from 1 warehouse
16 to another warehouse for continued storage.

17 “(b) CONTINUED DUTY.—The warehouse operator
18 from which agricultural products have been transferred
19 under subsection (a) shall deliver to the rightful owner of
20 such products, on request at the original warehouse, such
21 products in the quantity and of the kind, quality, and
22 grade called for by the receipt or other evidence of storage
23 of the owner.

1 **“SEC. 12. ISSUANCE OF RECEIPTS AND OTHER DOCU-**
2 **MENTS.**

3 “(a) IN GENERAL.—Subject to subsections (b) and
4 (c) and except as otherwise provided in this Act, at the
5 request of the depositor of an agricultural product stored
6 or handled in a warehouse licensed under this Act, the
7 warehouse operator shall issue a receipt to the depositor
8 as prescribed by the Secretary.

9 “(b) ACTUAL STORAGE REQUIRED.—A receipt may
10 not be issued under this section for an agricultural prod-
11 uct unless the agricultural product is actually stored in
12 the warehouse at the time of the issuance of the receipt.

13 “(c) CONTENTS.—Each receipt issued for an agricul-
14 tural product stored or handled in a warehouse licensed
15 under this Act shall contain such information, for each
16 agricultural product covered by the receipt, as the Sec-
17 retary may require by regulation.

18 “(d) PROHIBITION ON ADDITIONAL RECEIPTS OR
19 OTHER DOCUMENTS.—

20 “(1) RECEIPTS.—While a receipt issued under
21 this Act is outstanding and uncanceled by the ware-
22 house operator, no other or further receipt may be
23 issued for the same agricultural product (or any por-
24 tion of the same agricultural product) represented
25 by the outstanding receipt, except as authorized by
26 the Secretary.

1 “(2) OTHER DOCUMENTS.—If a written or elec-
2 tronic document is recorded or transferred under
3 this section, no other similar document in any form
4 shall be issued by any person with respect to the
5 same agricultural product represented by the docu-
6 ment, except as authorized by the Secretary.

7 “(e) ELECTRONIC RECEIPTS AND ELECTRONIC DOC-
8 UMENTS.—Except as provided in subsection (f) and not-
9 withstanding any other provision of Federal or State law:

10 “(1) IN GENERAL.—The Secretary shall pro-
11 mulgate regulations to authorize the issuance of
12 electronic receipts, and the recording and transfer of
13 electronic receipts and other documents, in accord-
14 ance with this subsection.

15 “(2) SYSTEMS FOR ELECTRONIC RECORDING
16 AND TRANSFER.—Electronic receipts and electronic
17 documents issued with respect to an agricultural
18 product may be recorded in, and transferred under,
19 a system or systems maintained in 1 or more loca-
20 tions.

21 “(3) TREATMENT OF HOLDER.—The person
22 designated as a holder of an electronic receipt or
23 other electronic document shall be considered, for
24 the purposes of Federal and State law, to be in pos-
25 session of the receipt or document.

1 “(4) SECURITY INTERESTS.—

2 “(A) PERFECTION OF INTEREST.—Any se-
3 curity interest lawfully asserted by a person
4 under any Federal or State law with respect to
5 an agricultural product that is the subject of an
6 electronic receipt, or an electronic document
7 filed under any system for electronic receipts or
8 other electronic documents issued or filed in ac-
9 cordance with this Act, may be perfected only
10 by recording the security interest in the system
11 in the manner specified by the regulations pro-
12 mulgated under paragraph (1).

13 “(B) EFFECT OF RECORDATION.—The rec-
14 ordation by a person of the person’s security in-
15 terest in any agricultural product included in
16 any system for electronic receipts or other elec-
17 tronic documents issued or filed in accordance
18 with this Act shall, for the purposes of Federal
19 and State law, establish the security interest of
20 the person.

21 “(C) PRIORITY.—If more than 1 security
22 interest exists in an agricultural product cov-
23 ered by an electronic receipt, the priority of the
24 security interests shall be determined by the ap-
25 plicable Federal or State law.

1 “(D) ENCUMBRANCES.—

2 “(i) OPERATORS LICENSED UNDER
3 STATE LAW.—If a warehouse operator li-
4 censed under State law elects to issue an
5 electronic receipt authorized under this
6 subsection, a security interest, lien, or
7 other encumbrance may be recorded on the
8 electronic receipt under this subsection
9 only if the security interest, lien, or other
10 encumbrance is—

11 “(I) authorized by State law to
12 be included on a written warehouse
13 receipt; and

14 “(II) recorded in a manner pre-
15 scribed by the Secretary.

16 “(ii) OTHER APPLICATIONS.—If a
17 warehouse operator licensed under this
18 Act, or a warehouse operator not licensed
19 under State law, elects to issue an elec-
20 tronic receipt authorized under this sub-
21 section, a security interest, lien, or other
22 encumbrance shall be recorded on the elec-
23 tronic receipt in a manner prescribed by
24 the Secretary.

1 “(5) EFFECT OF PURCHASE OF RECEIPT OR
2 DOCUMENT.—A person purchasing an electronic re-
3 ceipt or electronic document shall take possession of
4 the agricultural product free and clear of all liens,
5 except those liens recorded in the system or systems
6 established under the regulations promulgated under
7 paragraph (1).

8 “(6) ACCEPTANCE.—

9 “(A) IN GENERAL.—An electronic receipt
10 issued, and an electronic document transferred,
11 in accordance with the regulations promulgated
12 under paragraph (1) shall be accepted in any
13 business, market, or financial transaction,
14 whether governed by Federal or State law.

15 “(B) NO ELECTRONIC RECEIPT RE-
16 QUIRED.—A person shall not be required to
17 issue a receipt or document with respect to an
18 agricultural product in electronic format.

19 “(7) LEGAL EFFECT.—Information created to
20 comply with this Act (including regulations promul-
21 gated under this Act) shall not be denied legal ef-
22 fect, validity, or enforceability on the ground that
23 the information is generated, sent, received, or
24 stored by electronic or similar means.

1 “(8) OPTION FOR STATE LICENSED WARE-
2 HOUSE OPERATORS.—Notwithstanding any other
3 provision of this Act, a State-licensed warehouse op-
4 erator not licensed under this Act may, at the option
5 of the warehouse operator, issue electronic receipts
6 and electronic documents in accordance with this
7 subsection.

8 “(9) APPLICATION.—This subsection shall not
9 apply to a warehouse operator that is licensed under
10 State law to store agricultural commodities in a
11 warehouse in the State if the warehouse operator
12 elects—

13 “(A) not to issue electronic receipts au-
14 thorized under this subsection; or

15 “(B) to issue electronic receipts authorized
16 under State law.

17 “(f) ELECTRONIC RECEIPTS AND ELECTRONIC DOC-
18 UMENTS FOR COTTON.—

19 “(1) AUTHORITY.—

20 “(A) CENTRAL FILING.—Notwithstanding
21 any other provision of Federal or State law, the
22 Secretary, or the designated representative of
23 the Secretary, may provide that, in lieu of
24 issuing a receipt for cotton stored in a ware-
25 house licensed under this Act or in any other

1 warehouse, the information required to be in-
2 cluded in a receipt (i) under this Act in the case
3 of a warehouse licensed under this Act or (ii)
4 under any applicable State law in the case of
5 a warehouse not licensed under this Act, shall
6 be recorded instead in 1 or more central filing
7 systems maintained in 1 or more locations in
8 accordance with regulations promulgated by the
9 Secretary.

10 “(B) DELIVERY OF COTTON.—Any record
11 under subparagraph (A) shall include a state-
12 ment that the cotton shall be delivered to a
13 specified person or to the order of the person.

14 “(C) ELECTRONIC TRANSMISSION FACILI-
15 TIES BETWEEN WAREHOUSES AND SYSTEM.—

16 “(i) NONAPPLICABILITY TO WARE-
17 HOUSES WITHOUT FACILITIES.—This sub-
18 section and section 4 shall not apply to a
19 warehouse that does not have facilities to
20 electronically transmit and receive informa-
21 tion to and from a central filing system
22 under this subsection.

23 “(ii) NO REQUIREMENT TO OBTAIN
24 FACILITIES.—Nothing in this subsection

1 requires a warehouse operator to obtain fa-
2 cilities described in clause (i).

3 “(2) RECORDATION AND ENFORCEMENT OF
4 LIENS IN CENTRAL FILING SYSTEM.—Notwith-
5 standing any other provision of Federal or State
6 law:

7 “(A) RECORDATION.—The record of the
8 possessory interests of persons in cotton in-
9 cluded in a central filing system under this
10 subsection—

11 “(i) shall be considered to be a receipt
12 for the purposes of this Act and State law;
13 and

14 “(ii) shall establish the possessory in-
15 terest of persons in the cotton.

16 “(B) ENFORCEMENT.—

17 “(i) POSSESSION OF WAREHOUSE RE-
18 CEIPT.—Any person designated as a holder
19 of an electronic warehouse receipt author-
20 ized under this subsection or section 4
21 shall, for the purpose of perfecting the se-
22 curity interest of the person under Federal
23 or State law with respect to the cotton cov-
24 ered by the warehouse receipt, be consid-

1 ered to be in possession of the warehouse
2 receipt.

3 “(ii) PRIORITY OF SECURITY INTER-
4 ESTS.—If more than 1 security interest ex-
5 ists in the cotton represented by the elec-
6 tronic warehouse receipt, the priority of
7 the security interests shall be determined
8 by applicable Federal or State law.

9 “(iii) APPLICABILITY.—This sub-
10 section is applicable to electronic cotton
11 warehouse receipts and any other security
12 interests covering cotton stored in a cotton
13 warehouse, regardless of whether the ware-
14 house is licensed under this Act.

15 “(3) CONDITIONS FOR DELIVERY ON DEMAND
16 FOR COTTON STORED.—A warehouse operator oper-
17 ating a warehouse covered by this subsection, in the
18 absence of a lawful excuse, shall, without unneces-
19 sary delay, deliver the cotton stored in the ware-
20 house on demand made by the person named in the
21 record in the central filing system as the holder of
22 the receipt representing the cotton, if the demand is
23 accompanied by—

1 “(A) an offer to satisfy the valid lien of a
2 warehouse operator, as determined by the Sec-
3 retary; and

4 “(B) an offer to provide an acknowledg-
5 ment in a central filing system under this sub-
6 section, if requested by the warehouse operator,
7 that the cotton has been delivered.

8 **“SEC. 13. CONDITIONS FOR DELIVERY OF AGRICULTURAL**
9 **PRODUCTS.**

10 “(a) **PROMPT DELIVERY.**—In the absence of a lawful
11 excuse, a warehouse operator shall, without unnecessary
12 delay, deliver the agricultural product stored or handled
13 in the warehouse on a demand made by—

14 “(1) the holder of the receipt for the agricul-
15 tural product; or

16 “(2) the person that deposited the product, if
17 no receipt has been issued.

18 “(b) **PAYMENT TO ACCOMPANY DEMAND IF RE-**
19 **QUESTED.**—

20 “(1) **IN GENERAL.**—Demand for delivery shall
21 be accompanied by payment of the accrued charges
22 associated with the storage of the agricultural prod-
23 uct if requested by the warehouse operator.

24 “(2) **SPECIAL RULE FOR COTTON.**—In the case
25 of cotton stored in a warehouse, the warehouse oper-

1 ator shall provide a written request for payment of
2 the accrued charges associated with the storage of
3 the cotton to the holder of the receipt at the time
4 at which demand for the delivery of the cotton is
5 made.

6 “(c) SURRENDER OF RECEIPT.—When the holder of
7 a receipt requests delivery of an agricultural product cov-
8 ered by the receipt, the holder shall surrender the receipt
9 to the warehouse operator, in the manner prescribed by
10 the Secretary, to obtain the agricultural product.

11 “(d) CANCELLATION OF RECEIPT.—A warehouse op-
12 erator shall cancel each receipt returned to the warehouse
13 operator upon the delivery of the agricultural product for
14 which the receipt was issued.

15 **“SEC. 14. SUSPENSION OR REVOCATION OF LICENSES.**

16 “(a) IN GENERAL.—After providing notice and an
17 opportunity for a hearing in accordance with this section,
18 the Secretary may suspend or revoke any license issued,
19 or approval for an activity provided, under this Act—

20 “(1) for a material violation of, or failure to
21 comply, with any provision of this Act (including
22 regulations promulgated under this Act); or

23 “(2) on the ground that unreasonable or exorbi-
24 tant charges have been imposed for services ren-
25 dered.

1 “(b) TEMPORARY SUSPENSION.—The Secretary may
2 temporarily suspend a license or approval for an activity
3 under this Act prior to an opportunity for a hearing for
4 any violation of, or failure to comply with, any provision
5 of this Act (including regulations promulgated under this
6 Act).

7 “(c) AUTHORITY TO CONDUCT HEARINGS.—The
8 agency within the Department that is responsible for ad-
9 ministering regulations promulgated under this Act shall
10 have exclusive authority to conduct any hearing required
11 under this section.

12 “(d) JUDICIAL REVIEW.—

13 “(1) JURISDICTION.—A final administrative de-
14 termination issued subsequent to a hearing may be
15 reviewable only in a district court of the United
16 States.

17 “(2) PROCEDURE.—The review shall be con-
18 ducted in accordance with the standards set forth in
19 section 706(2) of title 5, United States Code.

20 **“SEC. 15. PUBLIC INFORMATION.**

21 “(a) IN GENERAL.—The Secretary may release to the
22 public the results of any investigation made or hearing
23 conducted under this Act, including the names, addresses,
24 and locations of all persons—

1 “(1) that have been licensed under this Act or
2 that have been approved to engage in an activity
3 under this Act; and

4 “(2) with respect to which a license or approval
5 has been suspended or revoked under section 14, in-
6 cluding the reasons for the suspension or revocation.

7 “(b) CONFIDENTIALITY.—Except as otherwise pro-
8 vided by law, an officer, employee, or agent of the Depart-
9 ment shall not divulge confidential business information
10 obtained during a warehouse examination or other func-
11 tion performed as part of the duties of the officer, em-
12 ployee, or agent under this Act.

13 **“SEC. 16. PENALTIES FOR NONCOMPLIANCE.**

14 “(a) CIVIL PENALTIES.—If a person fails to comply
15 with any requirement of this Act (including regulations
16 promulgated under this Act), the Secretary may assess,
17 on the record after an opportunity for a hearing, a civil
18 penalty—

19 “(1) of not more than \$25,000 per violation, if
20 an agricultural product is not involved in the viola-
21 tion; or

22 “(2) of not more than 100 percent of the value
23 of the agricultural product, if an agricultural prod-
24 uct is involved in the violation.

1 “(b) FEDERAL JURISDICTION.—A district court of
2 the United States shall have exclusive jurisdiction over any
3 action brought under this Act without regard to the
4 amount in controversy or the citizenship of the parties.

5 “(c) ARBITRATION.—Nothing in this Act prevents
6 the enforceability of an agreement to arbitrate that would
7 otherwise be enforceable under chapter 1 of title 9, United
8 States Code.

9 **“SEC. 17. REGULATIONS.**

10 “The Secretary shall promulgate such regulations as
11 the Secretary considers necessary to carry out this Act.

12 **“SEC. 18. AUTHORIZATION OF APPROPRIATION.**

13 “There are authorized to be appropriated such sums
14 as are necessary to carry out this Act.”.

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