

under certain conditions. The Under Secretary of Commerce for Transportation issued Part 1501 under section 1307 of the Federal Aviation Act of 1958 (49 U.S.C. 1537), that authorizes the Secretary of Commerce to issue rules in administration of Title XIII, and a delegation of that authority from the Secretary of Commerce.

Section 6(a)(3)(C) of the Department of Transportation Act (49 U.S.C. 1655 (a)(3)(C)) transfers to and vests in the Secretary of Transportation all functions, powers, and duties of the Secretary of Commerce under Title XIII of the Federal Aviation Act of 1958, as amended. The Secretary of Transportation has delegated his functions, powers, and duties relating to aircraft generally, under Title XIII of the Federal Aviation Act of 1958, to the Federal Aviation Administrator in 49 CFR 1.4(b)(1) (32 F.R. 5606).

The Federal Aviation Administrator is adopting new Part 198 that supersedes present Part 1501. Part 198 retains the substance of Part 1501, but several changes are made to reflect the existing situation vesting the War Risk Insurance function in the Department of Transportation: (1) References to the Under Secretary of Commerce for Transportation are changed to the Federal Aviation Administrator. (2) Section numbers are changed only to reflect the new part number. (3) Forms are removed from the body of the regulation and published in new Appendices A-E. (4) Forms are renumbered as "FAA Form 2000- (12-67)", and the obsolete UST Form numbers are shown as superseded. (5) The forms are changed only to reflect the transfer of the War Risk Insurance function to the Department, and the responsibility of the Federal Aviation Administrator.

This amendment relates to departmental management, procedures, and practices. Therefore, it is excepted from the notice, public procedure, and effective date requirements of section 553 of Title 5, United States Code, and it may be made effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, effective December 28, 1967, Chapter I of Title 14 of the Code of Federal Regulations is amended by adding a new Subchapter N, as hereinafter set forth, that supersedes the Department of Commerce regulation Part 1501 of Title 14 of the Code of Federal Regulations, dated September 30, 1963.

(Sec. 1307(a), Federal Aviation Act of 1958, as amended (49 U.S.C. 1537(a)); sec. 6(a)(3)(C), Department of Transportation Act (49 U.S.C. 1655(a)(3)(C)))

Issued in Washington, D.C., on December 19, 1967.

WILLIAM F. MCKEE,  
Administrator.

SUBCHAPTER N—WAR RISK INSURANCE

[Docket No. 8605]

PART 198—WAR RISK INSURANCE

Part 1501 of Title 14 of the Code of Federal Regulations was published in the FEDERAL REGISTER on October 31, 1963 (28 F.R. 11618). Part 1501 implements Title XIII of the Federal Aviation Act of 1958 (49 U.S.C. 1531-1542) that authorizes the Secretary of Commerce to provide insurance against loss, damage, or legal liability arising out of war risks,

Sec.	
198.1	Eligibility of aircraft for insurance.
198.2	Change in status of an aircraft after interim binders have been issued.
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198.4	Time of attachment of insurance.
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198.6	War risk insurance underwriting agents.
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Subpart B—War Risk Hull Insurance

198.100	Amounts of insurance for which application may be made.
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198.102	Issuance of interim binder; its terms and conditions.
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198.105	Additional war risk hull insurance.
198.106	Standard forms of war risk hull insurance interim binders.
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198.200	Limits of liability insurance for which application may be made.
198.201	Form of application.
198.202	Issuance of interim binder; its terms and conditions.
198.203	Sums which will be insured.
198.204	Calculation of premiums.
198.205	Standard forms of war risk liability insurance, exclusive of cargo liability, interim binders.
198.206	Standard forms of war risk liability insurance, exclusive of cargo liability, policies.

Subpart D—War Risk Carriers Liability to Cargo Insurance

198.300	Limits of liability insurance for which application may be made.
198.301	Form of application.
198.302	Issuance of interim binder; its terms and conditions.
198.303	Sums which will be insured.
198.304	Calculation of premiums.
198.305	Standard forms of war risk carriers liability to cargo insurance interim binders.
198.306	Standard forms of war risk carriers liability to cargo insurance policies.
198.307	Effect on other General Orders—War Risk Insurance.

Appendix A—Forms of Application, named in § 198.101.

Appendix B—Standard Forms of War Risk Hull Insurance Interim Binders, named in § 198.106.

Appendix C—Standard Forms of War Risk Hull Insurance Policies, named in § 198.107.

Appendix D—Standard Forms of War Risk Liability Insurance, Exclusive of Cargo Liability, Policies, named in § 198.206.

Appendix E—Forms of Application, named in § 198.301.

Appendix F—Standard Forms of War Risk Carriers Liability to Cargo Insurance Interim Binders, named in § 198.305.

AUTHORITY: The provisions of this Part 198 issued under Sec. 1307(a) of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1537(a)); and sec. 6(a)(3)(C) of the Department of Transportation Act (49 U.S.C. 1655(a)(3)(C)).

Subpart A—General

§ 198.1 Eligibility of aircraft for insurance.

An aircraft is eligible for insurance if it is:

- (a) An American aircraft as defined in section 1301(a), Title XIII of the Federal Aviation Act of 1958, as amended; or
- (b) A foreign-flag aircraft engaged in aircraft operations deemed by the Federal Aviation Administrator to be in the

interest of the national defense or the national economy of the United States.

**§ 198.2 Change in status of an aircraft after interim binders have been issued.**

In the event that an aircraft shall cease to come within either § 198.1 (a) or (b) after any interim binders named in §§ 198.106, 198.205, and 198.305 have been issued, interim binders covering such an aircraft shall automatically terminate. In the event of sale, lease, confiscation, requisition, or total loss of an aircraft, or any other change in the status, which by the terms of the binder causes same to terminate, prompt notice shall be given in writing to the Federal Aviation Administrator.

**§ 198.3 Applications for insurance and payment of binding fees.**

Applications for war risk hull and war risk liability, exclusive of cargo, insurance, shall be filed on the same form, in duplicate, and applications for war risk carriers liability to cargo insurance shall be filed on a separate form, also in duplicate. Applications for insurance on those foreign-flag aircraft referred to in § 198.1 shall be accompanied by a signed statement in quadruplicate, setting forth the dates of the applications, the forms of insurance applied for, the identification number of the aircraft, its flag, the name of the owner or lessee, the operations in which the aircraft is engaged and the reason such operations should be considered to be in the interest of the national defense or national economy of the United States, which statement shall be deemed to be a part of each application for insurance filed with respect to such aircraft. Applications shall be made to the Federal Aviation Administrator, Department of Transportation, 800 Independence Avenue SW., Washington, D.C. 20590. A check payable to the Treasurer of the United States for the total amount of all binding fees payable by each applicant shall accompany the applications. Binding fees are not returnable unless applications are rejected.

**§ 198.4 Time of attachment of insurance.**

The war risk insurance to be provided under this part shall attach:

(a) In the case of premium insurance, not earlier than the date and hour commercial war risk insurance terminates by reason of the operation of the "24-hour automatic termination clause," whether or not the aircraft was covered by such commercial insurance; and

(b) In the case of nonpremium insurance, as specified in the binder or policy.

**§ 198.5 Premiums and payment thereof.**

The rates of premium for insurance shall be subject to review and revision by the Federal Aviation Administrator each calendar month, and the Federal Aviation Administrator may deem it appropriate to fix premium surcharges or rate loadings. Premiums shall accrue upon the fixing of the rates by the Federal Aviation Administrator, and shall be payable within 10 days after receipt of notice of the amounts thereof by the In-

sured. Premiums shall be paid to the Federal Aviation Administrator by check payable to the order of the Treasurer of the United States.

**§ 198.6 War risk insurance underwriting agents.**

Applications from companies or groups of companies authorized to do an aviation insurance business in any State of the United States for appointment as underwriting agents will not be received until the Federal Aviation Administrator finds that it is practical to employ such companies as underwriting agents. The Federal Aviation Administrator will promulgate, and publish in the FEDERAL REGISTER, the forms and agreements required for the appointment of underwriting agents.

**§ 198.7 Modifications.**

The provisions of this part may be amended or modified at any time by the Federal Aviation Administrator.

**Subpart B—War Risk Hull Insurance**

**§ 198.100 Amounts of insurance for which application may be made.**

An applicant for war risk hull insurance shall state the amount of insurance desired, but any payment for damage to or total loss of the aircraft will be made as provided in § 198.103.

**§ 198.101 Form of application.**

Applications submitted shall be in strict accordance with one of the forms set forth in Appendix A of this part, as follows:

(a) Application for Premium War Risk Hull and Liability, Exclusive of Cargo, Insurance, FAA Form 2000-2 (12-67) (supersedes UST Form No. WRI-1 (9-63)).

(b) Application for Nonpremium War Risk Hull and Liability, Exclusive of Cargo, Insurance, FAA Form 2000-2.1 (12-67) (supersedes UST Form No. WRI-1B (9-63)).

(c) Application for Nonpremium War Risk Hull and Liability, Exclusive of Cargo, Insurance, FAA Form 2000-2.2 (12-67) (supersedes UST Form No. WRI-1C (9-63)).

**§ 198.102 Issuance of interim binder; its terms and conditions.**

Upon acceptance of an application, an interim binder in the form of one of those named in § 198.106 will be issued and there shall be deemed to be incorporated therein by reference, all of the terms, conditions and warranties contained in the standard war risk hull insurance policy to be prescribed by the Federal Aviation Administrator pursuant to the provisions of § 198.107, to the same extent as if such policy were made a part of the binder. The binding fee shall be \$100 per aircraft.

**§ 198.103 Sums which will be insured.**

The sum insured, in each instance, may not exceed the amount in effect on the date of application by which the air carrier has insured, or self-insured, the aircraft against risks other than war risks: *Provided*, That such amount is

not in excess of the "fair and reasonable value of the aircraft" within the meaning of section 1307(a) of the Federal Aviation Act of 1958, as amended.

**§ 198.104 Calculation of premiums.**

Premiums will be calculated on the basis of the applicable premium rate multiplied by the dollar amount of insurance in force during the period under consideration.

**§ 198.105 Additional war risk hull insurance.**

Persons having insurable interests in aircraft may obtain, on an excess basis, additional war risk hull insurance in such amounts as desired, and such insurance shall not inure to the benefit of the Federal Aviation Administrator as underwriter.

**§ 198.106 Standard forms of war risk hull insurance interim binders.**

The standard forms of war risk hull insurance interim binders for premium and nonpremium war risk hull insurance are set forth in Appendix B of this part, as follows:

(a) Interim Binder No. PR-H&LWR, FAA Form 2000-3 (12-67) (supersedes UST Form No. WRI-2 (9-63)).

(b) Interim Binder No. NON-PR-H&LWR, FAA Form 2000-3.1 (12-67) (supersedes UST Form No. WRI-2C (9-63)).

**§ 198.107 Standard forms of war risk hull insurance policies.**

The standard form of war risk hull insurance policy, FAA Form 2000-4 (12-67) (supersedes UST Form No. WRI-3B (9-63)), is set forth in Appendix C of this part.

**Subpart C—War Risk Liability Insurance, Exclusive of Cargo Liability**

**§ 198.200 Limits of liability insurance for which application may be made.**

Applicants for war risk liability insurance, exclusive of cargo liability, shall state the limits of liability desired, but such limits shall not exceed the corresponding amounts in effect on the date of application by which the Insured has insured, or self-insured, itself against liability arising from risks other than war risks involving the following coverages:

(a) Bodily Injury or Death (Excluding Passengers).

(b) Property Damage.

(c) Bodily Injury or Death (Passengers).

(d) Baggage and Personal Effects.

**§ 198.201 Form of application.**

Applications submitted shall be in strict accordance with the forms named in § 198.101.

**§ 198.202 Issuance of interim binder; its terms and conditions.**

Upon acceptance of an application, there will be issued either an interim binder or a policy in the form of one of those named in § 198.106, § 198.107, or § 198.206, and there shall be deemed to be incorporated in the interim binder by

reference all of the terms, conditions and warranties contained in the standard war risk liability insurance, exclusive of cargo liability, policy prescribed or to be prescribed by the Federal Aviation Administrator, pursuant to the provisions of § 198.206, to the same extent as if such policy were made a part of the binder. The binding fee of \$100 per aircraft set forth in § 198.102 for war risk hull insurance shall also cover the cost of binding war risk liability insurance, exclusive of cargo liability.

§ 198.203 Sums which will be insured.

The sums insured shall not exceed the limits prescribed in § 198.200.

§ 198.204 Calculation of premiums.

Premiums for Bodily Injury or Death (Excluding Passengers) and Property Damage liability will be calculated by multiplying the applicable premium rate by airplane miles. Premiums for Bodily Injury or Death, Baggage and Personal Effects liability will be calculated by multiplying the applicable premium rate by passenger miles.

§ 198.205 Standard forms of war risk liability insurance, exclusive of cargo liability, interim binders.

The standard forms of war risk liability insurance, exclusive of cargo liability, interim binders for premium and non-premium insurance shall be those named in § 198.106.

§ 198.206 Standard forms of war risk liability insurance, exclusive of cargo liability, policies.

The standard form of war risk liability insurance, exclusive of cargo liability, policy, FAA Form 2000-5 (12-67) (supersedes UST Form No. WRI-4B (9-63)), is set forth in Appendix D of this part.

Subpart D—War Risk Carriers Liability to Cargo Insurance

§ 198.300 Limits of liability insurance for which application may be made.

Applicants for war risk carriers liability to cargo insurance shall state the limits of liability desired, but the limit for any one accident shall not exceed \$1 million.

§ 198.301 Form of application.

Applications submitted shall be in strict accordance with one of the forms set forth in Appendix E of this part, as follows:

(a) Application for Premium War Risk Carriers Liability to Cargo Insurance, FAA Form 2000-6 (12-67) (supersedes UST Form No. WRI-6 (9-63)).

(b) Application for Nonpremium War Risk Carriers Liability to Cargo Insurance, FAA Form 2000-6.1 (12-67) (supersedes UST Form No. WRI-6A (9-63)).

§ 198.302 Issuance of interim binder; its terms and conditions.

Upon acceptance of an application, an interim binder in the form of one of those named in § 198.305 will be issued, and there shall be deemed to be incorporated therein by reference all of the terms, conditions and warranties con-

tained in the standard war risk carriers liability to cargo insurance policies to be prescribed by the Federal Aviation Administrator, pursuant to the provisions of § 198.306, to the same extent as if such policies were made a part of the binder. The binding fee shall be \$25 per aircraft.

§ 198.303 Sums which will be insured.

The sums insured shall be those stated in the application, but the liability for any one accident shall not exceed \$1 million.

§ 198.304 Calculation of premiums.

Premiums will be calculated by multiplying the applicable premium rate by the gross revenue received by the Insured for the transportation of cargo.

§ 198.305 Standard forms of war risk carriers liability to cargo insurance interim binders.

The standard forms of carriers liability to cargo insurance interim binders for premium and nonpremium war risk carriers liability to cargo insurance are set forth in Appendix F of this part, as follows:

(a) Interim Binder No. PR-CLWR, FAA Form 2000-7 (12-67) (supersedes UST Form No. WRI-7 (9-63)).

(b) Interim Binder No. NON-PR-CLWR, FAA Form 2000-7.1 (12-67) (supersedes UST Form No. WRI-7A (9-63)).

§ 198.306 Standard forms of war risk carriers liability to cargo insurance policies.

Standard forms of war risk carriers liability to cargo insurance policies for premium and nonpremium insurance will be prescribed by the Federal Aviation Administrator, and published in the FEDERAL REGISTER as an amendment to this section.

§ 198.307 Effect on other General Orders—War Risk Insurance.

This part supersedes all General Orders—War Risk Insurance previously issued.

APPENDIX A—FORMS OF APPLICATION, NAMED IN § 198.101

The application forms that must be used under § 198.101 are as follows:

(a) FAA Form 2000-2 (12-67) (supersedes UST Form No. WRI-1 (9-63)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION

Application for Premium War Risk Hull and Liability, Exclusive of Cargo, Insurance

Application is made for premium War Risk Hull and Liability, exclusive of Cargo, Insurance, pursuant to Title XIII of the Federal Aviation Act of 1958, as amended, and in accordance with all provisions of law and subject to all limitations thereof, on the aircraft described in the attached Schedule of Aircraft, with the understanding that this application does not commit the Government to any liability or make the applicant liable for any premium unless insurance is effected by the Federal Aviation Administrator.

Name of applicant \_\_\_\_\_  
Address \_\_\_\_\_  
Applicant's interest in aircraft described is that of \_\_\_\_\_

Mortgage, or other encumbrance, if any \_\_\_\_\_

Hull loss, if any, payable to \_\_\_\_\_

Hull

Amounts set forth in the attached "Schedule of Aircraft" as representing the amount of war risk hull insurance desired for each such aircraft shall not exceed the amount in effect on the date of this application, by which the applicant has insured, or self-insured, that aircraft against risks other than war risks.

Liability

The type of coverage required for the aircraft described in the attached "Schedule of Aircraft" shall be indicated and the limits of liability for each such coverage shall be specified in the schedule, but such limits shall not exceed the corresponding amounts in effect on the date of this application by which the applicant has insured, or self-insured, itself against liability arising from risks other than war risks.

Type of coverage	Each person amount requested	Each occurrence amount requested	Insurance (including self-insurance) in effect for risks other than war risks.	
			Each person	Each occurrence
( ) Bodily injury or death (excluding passengers).....	.....	.....	.....	.....
( ) Property damage.....	.....	.....	.....	.....
( ) Bodily injury or death (passengers).....	.....	.....	.....	.....
( ) Baggage and personal effects.....	.....	.....	.....	.....

General

Insurance to attach, in the event of outbreak of war between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics and the United States of America), and from 24 hours from midnight G.M.T. of the day on which such outbreak of war occurs. Nevertheless, should the aircraft:

(1) Be in the air when such outbreak of war occurs, or

(2) Being at an airport depart therefrom as a measure of safety in respect of an insured peril within 24 hours of such outbreak of war, this insurance shall not attach until midnight G.M.T. of the day on which the aircraft lands wherever such landing may be

regardless of whether or not accidental damage has been sustained by the aircraft.

If this application is for insurance with respect to a foreign-flag aircraft, it shall be accompanied by the statement specified in § 198.3 of the regulations of the Federal Aviation Administrator (14 CFR Part 198) which statement shall be deemed to be part of this application.

Binding fee (not returnable unless application is rejected) is \$100 per aircraft.

Check payable to the Treasurer of the United States for the total amount of all binding fees enclosed herewith.

Rate of premium shall be fixed by the Federal Aviation Administrator, acting for the Secretary of Transportation.

The war risk insurance applied for hereunder shall not cover war risks on persons

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or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

Applicant warrants that the particulars herein are true and complete to the best of his knowledge and that no information has been withheld or suppressed.

Applicant agrees that this application and the terms and conditions of the form of

policy prescribed by the Federal Aviation Administrator, acting for the Secretary of Transportation, will constitute the basis of any contract between him and the United States of America.

Applicant \_\_\_\_\_

By \_\_\_\_\_ (Name and Title)

Date \_\_\_\_\_

United States, or has partial commercial insurance coverage against war risks, but is unable to obtain the additional needed insurance of the type requested on reasonable terms and conditions from such commercial sources;

(c) Is maintaining and has maintained during the 6-month period preceding this application (or since the aircraft was acquired if acquired during the 6-month period) insurance, including demonstrable self-insurance, covering possible injury, loss or damage from risks other than war risks in amounts which equal or exceed the war risk insurance coverages requested in the application; and

(d) Shall name the commercial insurance carriers which have been contacted and the premium rates quoted by such carriers which he considers not reasonable, and any conditions or limitations which those carriers would impose in connection with war risk insurance which would cause their insurance to be inapplicable to some or all of the operations under the Government contracts listed in the "Schedule of Aircraft and Government Contracts."

General

Insurance to attach at the time and date specified in the Policy issued pursuant to this application.

The war risk insurance applied for hereunder shall not cover war risks on persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

The "Schedule of Aircraft and Government Contracts" attached hereto may be revised from time to time by agreement of the Federal Aviation Administrator and the Insured and with the approval of the Military Air Transport Service to add aircraft or to add contracts.

Applicant warrants that the particulars herein are true and complete to the best of his knowledge and that no information has been withheld or suppressed.

Applicant agrees that this application, including all attachments hereto, all revisions of such schedule hereinafter accepted by the Government and the terms and conditions of the policies issued by the Federal Aviation Administrator, acting for the Secretary of Transportation, for war risk hull and liability, exclusive of cargo, insurance, will constitute the basis of any contract between him and the United States of America.

Binding fee (not returnable unless application is rejected) is \$100 per aircraft listed on the "Schedule of Aircraft and Government Contracts," or any revision of such schedule adding aircraft.

Check payable to the Treasurer of the United States for the total amount of all binding fees enclosed herewith.

Applicant \_\_\_\_\_

By \_\_\_\_\_ (Name and Title)

Date \_\_\_\_\_

(Application must be signed by a responsible corporate official authorized to sign the application and to agree, for the Insured, in changes to the schedule.)

Schedule of Aircraft

To be attached to FAA Form 2000-2 (12-67)

Table with 4 columns: Make, model and configuration (passenger, cargo, or convertible); FAA identification No. or equivalent; Amount of war risk hull insurance desired for each aircraft; Amount for which each aircraft is currently insured (including self-insurance) for risks other than war risks.

(b) FAA Form 2000-2.1 (12-67) (Supersedes OST Form No. WRI-1B (9-68)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION

Application for Nonpremium War Risk Hull and Liability, Exclusive of Cargo, Insurance

Application is made for War Risk Hull and Liability, exclusive of Cargo, insurance, without premium, pursuant to Title XIII of the Federal Aviation Act of 1958, as amended, and in accordance with all provisions of law and subject to all limitations thereof, on the aircraft described in the attached "Schedule of Aircraft and Government Contracts," while being operated under the air transportation contract(s) with the Department of Defense, referred to in such schedule, with the understanding that this application does not commit the Government to any liability unless insurance is effected by the Federal Aviation Administrator.

Name of applicant \_\_\_\_\_

Address \_\_\_\_\_

Applicant's interest in aircraft described is that of \_\_\_\_\_

Mortgage, or other encumbrance, if any \_\_\_\_\_

Hull loss, if any, payable to \_\_\_\_\_

HULL

Amounts set forth in the attached "Schedule of Aircraft and Government Contracts" as representing the amount of war risk hull insurance desired for each such aircraft shall

not exceed the amount, in effect on the date of this application, by which the applicant has insured, or self-insured, that aircraft against risks other than war risks.

Liability

The type of coverage required for the aircraft described in the attached "Schedule of Aircraft and Government Contracts" shall be indicated and the limits of liability for each such coverage shall be specified in the schedule, but such limits shall not exceed the corresponding amounts in effect on the date of this application by which the applicant has insured, or self-insured, itself against liability arising from risks other than war risks.

The application shall be accompanied by copies of any commercial war risk insurance policy and any company plan of self-insurance applicable to the aircraft listed in the "Schedule of Aircraft and Government Contracts."

The application shall also be accompanied by a statement signed, in his personal capacity, by the same corporate official who signs the application on behalf of the applicant, which statement shall be considered to be incorporated in the application and to form a part thereof. The statement shall show that the applicant:

(a) Controls and operates the aircraft listed in the attached "Schedule of Aircraft and Government Contracts" and that such aircraft are committed, under the contracts listed in such schedule, to the Department of Defense for use during an air transportation emergency;

(b) Cannot obtain war risk insurance of the type requested on reasonable terms and conditions from companies authorized to do an insurance business in a State of the

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Schedule of Aircraft and Government Contracts  
To be attached to FAA Forms 2000-2.1, 2000-4, and 2000-5 (12-67)

**Aircraft**

Make, model and configuration (passenger, cargo, or convertible)	FAA identification No. or equivalent	Amount of war risk hull insurance desired for each aircraft	Amount for which each aircraft is currently insured (including self-insurance) for risks other than war risks	
			Each person	Each occurrence
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

Contracts with the military air transport service in effect for overseas or foreign transportation:.....

**Liability**

Type of coverage	Each person amount requested	Each occurrence amount requested	Insurance (including self-insurance) in effect for risks other than war risks	
			Each person	Each occurrence
( ) Bodily injury or death (excluding passengers).....	.....	.....	.....	.....
{ } Property damage.....	.....	.....	.....	.....
{ } Bodily injury or death (passengers).....	.....	.....	.....	.....
{ } Baggage and personal effects.....	.....	.....	.....	.....

(c) FAA Form 2000-2.2 (12-67) (supersedes  
UST Form No. WRI-1C (9-63)),

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION,  
FEDERAL AVIATION ADMINISTRATION

Application for Nonpremium War Risk Hull  
and Liability, Exclusive of Cargo, Insurance

Application is made for War Risk Hull and  
Liability, exclusive of Cargo, Insurance, with-  
out premium, pursuant to Title XIII of the  
Federal Aviation Act of 1958, as amended, and  
in accordance with all provisions of law and  
subject to all limitations thereof, on the air-  
craft described in the attached Schedule of  
Aircraft, with the understanding that this  
application does not commit the Govern-  
ment to any liability unless insurance is  
effected by the Federal Aviation Admin-  
istrator.

Name of Applicant.....  
Address.....  
Date and number of Applicant's Department  
of State contract(s).....  
Applicant's interest in aircraft described is

that of .....  
Mortgage, or other encumbrance, if any .....  
Hull loss, if any, payable to.....

**Hull**

Amounts set forth in the attached "Sched-  
ule of Aircraft" as representing the amount  
of war risk hull insurance desired for each  
such aircraft shall not exceed the amount in  
effect on the date of this application, by  
which the applicant has insured, or self-  
insured, that aircraft against risks other than  
war risks.

**Liability**

The type of coverage required for the air-  
craft described in the attached "Schedule of  
Aircraft" shall be indicated and the limits of  
liability for each such coverage shall be spec-  
ified in the schedule, but such limits shall  
not exceed the corresponding amounts in  
effect on the date of this application by which  
the applicant has insured, or self-insured,  
itself against liability arising from risks other  
than war risks.

Type of coverage	Each person amount requested	Each occurrence amount requested	Insurance (including self-insurance) in effect for risks other than war risks	
			Each person	Each occurrence
( ) Bodily injury or death (excluding passengers).....	.....	.....	.....	.....
{ } Property damage.....	.....	.....	.....	.....
{ } Bodily injury or death (passengers).....	.....	.....	.....	.....
{ } Baggage and personal effects.....	.....	.....	.....	.....

**General**

Insurance to attach while the aircraft de-  
scribed in the attached schedule are being  
operated under applicant's Department of  
State contract(s) No. ...., dated .....

Binding fee (not returnable unless appli-  
cation is rejected) is \$100 per aircraft.

Check payable to the Treasurer of the  
United States for the total amount of all  
binding fees enclosed herewith.

The war risk insurance applied for here-  
under shall not cover war risks on persons  
or property engaged or transported exclu-  
sively in air commerce within the several  
States of the United States and the District  
of Columbia.

Applicant warrants that the particulars  
herein are true and complete to the best of  
his knowledge and that no information has  
been withheld or suppressed.

Applicant agrees that this application and  
the terms and conditions of the form of  
policy prescribed by the Federal Aviation  
Administrator, acting for the Secretary of  
Transportation, for war risk hull and liabil-  
ity, exclusive of cargo, insurance provided  
to U.S. air carriers having agreements with  
the Department of State will constitute the  
basis of any contract between him and the  
United States of America.

Applicant .....  
By .....  
(Name and title)

Date .....

**Schedule of Aircraft**

To be attached to FAA Form 2000-2.2 (12-67)

Make, model and configuration (passenger, cargo, or convertible)	FAA identification No. or equivalent	Amount of war risk hull insurance desired for each aircraft	Amount for which each aircraft is currently insured (including self-insurance) for risks other than war risks	
			Each person	Each occurrence
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....
.....	.....	.....	.....	.....

**APPENDIX B—STANDARD FORMS OF WAR RISK  
HULL INSURANCE INTERIM BINDERS, NAMED  
IN § 198.106**

The standard form Interim Binders pre-  
scribed under § 198.106 are as follows:  
(a) FAA Form 2000-3 (12-67) (supersedes  
UST Form No. WRI-2 (9-63)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL  
AVIATION ADMINISTRATION

Interim Binder No. PR-H&LWR

The United States of America, represented  
by the Federal Aviation Administrator, acting  
for the Secretary of Transportation, in con-  
sideration of the binding fee and premium  
provided for herein, hereby insures, in accord-  
ance with applicable provisions of law and  
subject to all limitations thereof, particu-  
larly Title XIII of the Federal Aviation Act  
of 1958, as amended, against Hull and Li-  
ability, exclusive of Cargo, War Risks only,  
subject to the conditions stated herein, on  
the aircraft described in the attached Sched-  
ule of Aircraft.

Name of Insured.....  
Address.....  
Hull loss, if any, payable to.....

**Hull**

Amounts set forth in the "Schedule of Air-  
craft" attached to the Insured's application  
for premium war risk hull and liability, ex-  
clusive of cargo, insurance, a copy of which  
is attached hereto and made a part hereof,  
as representing the amount of war risk hull  
insurance desired for each of such aircraft,  
shall be deemed to be the "sum insured";  
Provided, This amount, in each instance,  
may not exceed either (1) the amount deter-  
mined by the Federal Aviation Administrator  
in accordance with the provisions of section  
1307(a), Title XIII of the Federal Aviation  
Act of 1958, as amended (49 U.S.C. 1537(a)),  
or (2) the amount in effect on the date of  
application for this insurance by which the  
Insured has insured, or self-insured, that  
aircraft against risks other than war risks  
covered by this binder.

**Liability**

Insurance of the type indicated and in the  
limits shown below is provided in respect  
to each of the aircraft shown in the attached  
"Schedule of Aircraft":

Type of coverage	Each person	Each occurrence
Bodily injury or death (ex- cluding passengers).....	\$.....	\$.....
Property damage.....	\$.....	\$.....
Bodily injury or death (pas- sengers).....	\$.....	\$.....
Baggage and personal effects.....	\$.....	\$.....

The above amounts may not exceed the  
corresponding amounts in effect on the date  
of application for this insurance by which  
the Insured has insured, or self-insured, it-  
self against similar liabilities arising from  
risks other than war risks covered by this  
binder.

**General**

Attaching in the event of outbreak of war  
between any of the four Great Powers  
(France, Great Britain and/or any of the  
British Commonwealth of Nations, the Union  
of Soviet Socialist Republics and the United  
States of America), at and from 24 hours  
from midnight G.M.T. of the day on which  
such outbreak of war occurs. Nevertheless,  
should the aircraft:

- (1) Be in the air when such outbreak of  
war occurs, or
- (2) Being at an airport depart therefrom  
as a measure of safety in respect to an in-  
sured peril within 24 hours of such out-  
break of war, this insurance shall not attach  
until midnight G.M.T. of the day on which

RULES AND REGULATIONS

the aircraft lands whenever such landing may be regardless of whether or not accidental damage has been sustained by the aircraft.

This binder shall terminate:

- (a) Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended, or
(b) Three years from its date, or
(c) Five days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, or
(d) Upon the issuance of a policy by the Federal Aviation Administrator with respect to any insurance bound herein which is covered by that policy, whichever shall occur first.

The Insured agrees that if the amounts of insurance, or self-insurance, carried against loss, damage, or liability arising from risks other than war risks are voluntarily reduced to amounts less than the amounts of insurance provided by this binder, the insurance under this binder shall be considered to have been automatically reduced to the new amounts at the time of such reduction.

The insurance provided hereunder does not cover any war risks on persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

There shall be deemed to be incorporated herein all of the terms, conditions, and warranties contained in the applicable war risk hull and war risk liability, exclusive of cargo, insurance policies prescribed by the Federal Aviation Administrator pursuant to the provisions of §§ 198.107 and 198.206, respectively, of the regulations of the Federal Aviation Administrator (14 CFR Part 198).

The premium rate for this insurance shall be subject to review and revision by the Federal Aviation Administrator each calendar month. Unless the revised premium rate is accepted in writing by the Insured within 30 days after dispatch of notice of the amount thereof, the insurance provided hereunder shall automatically terminate at the end of such 30-day period. Premiums at the new revised rate shall be charged for the 10-day period during which this insurance remained in force, unless the Federal Aviation Administrator receives notice within such period of the refusal of the Insured to accept such new revised premium rate, in which event premium at the new revised rate shall be charged for that portion of the 10-day period prior to receipt of such notice. Upon receipt of such notice of nonacceptance, the insurance provided hereunder shall terminate, notwithstanding any other provision for cancellation in this binder. In the event this insurance is cancelled, or otherwise terminated, and not replaced by a policy, there shall be a premium charge hereunder for the period during which this insurance has been in force. Premium payments shall be made to the Federal Aviation Administrator by check payable to the order of the Treasurer of the United States of America.

In the event of any loss covered by this binder, prompt notice thereof shall be given by the Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime conditions or regulations shall not prejudice this insurance. The Insurer shall be subrogated to all rights which the Insured may have against any other person or entity in respect of any payment made under this binder to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure such rights to the Insurer.

Warranted that during the period of this binder and the term of any insurance at-

taching hereunder the aircraft is (1) an American aircraft as defined in section 1301 (a), Title XIII of the Federal Aviation Act of 1958, as amended, or (2) a foreign-flag aircraft engaged in aircraft operations deemed by the Federal Aviation Administrator to be in the interest of the national defense or the national economy of the United States, and if, at any time during the binder period or after insurance attached hereunder, the aircraft shall cease to come within either (1) or (2) above, this binder and insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft, without return of premium unless the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA

By FEDERAL AVIATION ADMINISTRATOR, ACTING FOR THE SECRETARY OF TRANSPORTATION:

(FEDERAL AVIATION ADMINISTRATOR)

Date: (b) FAA Form 2000-3.1 (12-67) (supersedes UST Form No. WRI-20 (9-63)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION

Interim Binder No. NON-PR-H&LWR

The United States of America, represented by the Federal Aviation Administrator, acting for the Secretary of Transportation, in consideration of the agreement of the Secretary of State to indemnify the Secretary of Transportation against all losses covered by war risk insurance provided, without premium, for United States air carriers having agreements with the Department of State for the continuation of regularly scheduled service or the provision of charter service, and in consideration of the binding fee provided for herein, hereby insures, in accordance with applicable provisions of law and subject to all limitations thereof, particularly Title XIII of the Federal Aviation Act of 1958, as amended, against Hull and Liability, exclusive of Cargo, War Risks only, subject to the conditions stated herein, on the aircraft described in the attached Schedule of Aircraft while being operated by the Insured under Department of State contract(s) No. ...., dated .....

Name of Insured .....
Address .....
Hull loss, if any, payable to .....

Hull

Amounts set forth in the "Schedule of Aircraft" attached to the Insured's application for war risk hull and liability, exclusive of cargo, insurance, without premium, a copy of which is attached hereto and made a part hereof, as representing the amount of war risk hull insurance desired for each of such aircraft, shall be deemed to be the "sum insured"; Provided, This amount, in each instance, may not exceed either (1) the amount determined by the Federal Aviation Administrator in accordance with the provisions of section 1307(a), Title XIII of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1537(a)), or (2) the amount in effect on the date of application for this insurance by which the Insured has insured, or self-insured, that aircraft against risks other than war risks covered by this binder.

Liability

Insurance of the type indicated and in the limits shown below is provided in re-

spect to each of the aircraft shown in the attached "Schedule of Aircraft";

Table with 3 columns: Type of coverage, Each person, Each occurrence. Rows include Bodily injury or death (excluding passengers), Property damage, Bodily injury or death (passengers), and Baggage and personal effects.

The above amounts may not exceed the corresponding amounts in effect on the date of application for this insurance by which the Insured has insured, or self-insured, itself against similar liabilities arising from risks other than war risks covered by this binder.

General

Attaching when the Insured commences performance of services under Department of State contract(s) No. ...., dated .....

This binder shall terminate:

- (a) Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended, or
(b) Three years from its date, or
(c) Upon expiration or cancellation of the Insured's Department of State contract(s) No. ...., dated ....., or
(d) Five days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, or
(e) Upon the issuance of a policy by the Federal Aviation Administrator, with respect to any insurance bound herein which is covered by that policy, whichever shall occur first.

The Insured agrees that if the amounts of insurance, or self-insurance, carried against loss, damage, or liability arising from risks other than war risks are voluntarily reduced to amounts less than the amounts of insurance provided by this binder, the insurance under this binder shall be considered to have been automatically reduced to the new amounts at the time of such reduction.

The insurance provided hereunder does not cover any war risks on persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

There shall be deemed to be incorporated herein all of the terms, conditions, and warranties contained in the applicable war risk hull and war risk liability, exclusive of cargo, insurance policies prescribed by the Federal Aviation Administrator pursuant to the provisions of §§ 198.107 and 198.206, respectively, of the regulations of the Federal Aviation Administrator (14 CFR Part 198).

In the event of any loss covered by this binder, prompt notice thereof shall be given by the Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime conditions or regulations shall not prejudice this insurance. The Insurer shall be subrogated to all rights which the Insured may have against any other person or entity in respect to any payment made under this binder to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure such rights to the Insurer.

Warranted that during the period of this binder and the term of any insurance attaching hereunder the aircraft is an American aircraft as defined in section 1301(a), Title XIII of the Federal Aviation Act of 1958, as amended, and if at any time during the binder period or after insurance attaches hereunder, the aircraft shall cease to be an American aircraft as so defined, or ceases to be under the agreement with the Depart-

ment of State, this binder and insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft, without return of binding fee unless the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA  
By FEDERAL AVIATION ADMINISTRATOR,  
ACTING FOR THE SECRETARY OF  
TRANSPORTATION.

(Federal Aviation Administrator)

Date -----

APPENDIX C—STANDARD FORMS OF WAR RISK  
HULL INSURANCE POLICIES, NAMED IN § 198.107

The standard form policy prescribed under § 198.107 is as follows:

FAA Form 2000-4 (12-67) (supersedes UST  
Form No. WRI-3B (9-63)).

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION  
Policy No. NON-PR-HWR-----

The United States of America (hereinafter referred to as the Insurer), represented by the Federal Aviation Administrator, acting for the Secretary of Transportation, by this Policy of Insurance, in accordance with applicable provisions of law and subject to all limitations thereof, particularly Title XIII of the Federal Aviation Act of 1958, as amended, and in consideration of the agreement of the Secretary of Defense to indemnify the Secretary of Transportation against all losses covered by War Risk Insurance provided, without premium, for U.S. air carriers having air transportation contracts with the Department of Defense and the payment of binding fees, does insure, without premium, the aircraft described in the attached "Schedule of Aircraft and Government Contracts" for the account of ----- (hereinafter referred to as the Insured) while being operated by the Insured under a contract listed in the Schedule.

Loss, if any, payable to -----

Amounts set forth in the "Schedule of Aircraft and Government Contracts" attached to the Insured's application for war risk hull and liability, exclusive of cargo, insurance, without premium, a copy of which is attached hereto and made a part hereof, as representing the amount of war risk hull insurance desired for each of such aircraft shall be deemed to be the "sum insured"; Provided, This amount, in each instance, may not exceed either (1) the amount determined by the Federal Aviation Administrator in accordance with the provisions of section 1907(a), Title XIII of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1687(a)), or (2) the amount in effect on the date of application for this insurance by which the Insured has insured, or self-insured, that aircraft against risks other than war risks covered by this Policy.

The Insured agrees that if the amount of insurance or self-insurance, carried against loss or damage from risks other than war risks is voluntarily reduced to an amount less than the amount of insurance provided by this Policy, the insurance under this Policy shall be considered to have been automatically reduced to the new amounts at the time of such reduction.

The "Schedule of Aircraft and Government Contracts" attached hereto may be revised from time to time by agreement of the Federal Aviation Administrator and the Insured and with approval of the Military Air Transport Service to add aircraft or to add contracts.

The insurance covers from ----- M., a.s.t. of the ----- day of -----, 19-----, until cancelled or terminated in accordance with the terms of this Policy.

This insurance covers all physical loss or damage to the aircraft described and set forth in the "Schedule of Aircraft and Government Contracts" attached hereto, including engines, navigational instruments, parts and equipment usually carried on said aircraft, resulting from the risks which would be excluded from a commercial Aviation Hull Policy by the following clause:

"Loss or damage due to or resulting from:  
(1) Capture, seizure, arrest, restraint or detention or the consequences thereof or of any attempt thereof, or any taking of the property insured or damage to or destruction thereof by any Government or governmental authority or agent (whether secret or otherwise) or by any military, naval or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful; (2) war, invasion, civil war, revolution, rebellion, insurrection or warlike operations, whether there be a declaration of war or not."

Notwithstanding anything contained in the foregoing clause, this insurance does not cover any loss or damage caused by or resulting from capture, seizure, arrest, restraint, detention, preemption, confiscation or requisition by the Government of the United States, or from arrest, restraints, or detentions under Customs or quarantine regulations or similar arrests, restraints, or detentions not arising from actual or impending hostilities or sanctions.

The Insurer will pay, subject to the terms and conditions of this Policy: (1) In respect to total loss, the insured value of the aircraft, and (2) in respect to partial loss:

(a) If repairs are made by other than the Insured, the cost to repair the damaged property with material of like kind and quality, plus the reasonable cost of transporting new and/or damaged parts and/or the damaged aircraft to place of repair and the return of the repaired aircraft to place of accident or home airport, whichever be nearer.

(b) If repairs are made by the Insured, the total of the following items:

I. Actual cost of material or parts of like kind and quality.

II. Actual wages paid for direct labor, excluding extra charges for overtime.

III. A reasonable percentage of Item II in lieu of all overhead, including supervisory services, or actual overhead costs as determined by the Federal Aviation Administrator.

IV. The reasonable cost of transporting new and/or damaged parts and/or the damaged aircraft to place of repair and return of the repaired aircraft to place of accident or home airport, whichever be nearer.

(c) If repairs are not made and the aircraft is subsequently lost, then the estimated cost of making such repairs to the damaged property with material of like kind and quality.

The amount due under this Policy in respect to a partial loss shall not exceed the amount due were the loss payable as a total loss. Where the amount paid hereunder is equal to the amount payable as a total loss, any salvage value remaining shall inure to the benefit of the Insurer. There shall, however, be no abandonment without the consent of the Insurer.

The sum insured shall be reduced by the amount of any loss or damage, whether or not covered by this Policy, until repairs have been completed.

In the event of any loss covered by this Policy, prompt notice thereof, on being known to the Insured, shall be given by the

Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime conditions or regulations shall not prejudice this insurance.

Within sixty (60) days after loss or damage, the Insured shall render to the Federal Aviation Administrator a proof of loss signed and sworn to by the Insured, stating the place, time and cause of the loss or damage, the interest of the Insured and of all others in the property, the sound value thereof, the amount and nature of the loss or damage, all encumbrances thereon, all changes in title, and all other insurance covering said property whether valid and collectible or not.

The Insurer shall be subrogated to all the rights which the Insured may have against any other person or entity, in respect of any payment made under this Policy, to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure to the Insurer such rights.

The insurance provided hereunder covers only loss or damage to the aircraft described in the attached "Schedule of Aircraft and Government Contracts" while the aircraft is being operated by the Insured, during the Policy period, under a contract listed in that Schedule when the loss or damage occurs. Such operations under the listed contracts shall be deemed to include ferry flights to position or deposition the aircraft, provided that on such ferry flight the aircraft does not carry any passengers, cargo or mail for remuneration or hire, and provided further that such ferry flight is operated nonstop (1) to the point of origin of the military traffic flight or (2) from the point of destination of the military traffic flight back to the point of origin, or to a maintenance base normally used by the Insured, or to a point where the Insured intends, to place the aircraft in commercial or military service.

The insurance provided hereunder does not cover any war risks on aircraft engaged exclusively in air commerce within the several States of the United States and the District of Columbia.

This Policy shall terminate:

(a) Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended; or

(b) Five (5) days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, or

(c) As to any aircraft or contract upon the date specified in a notice from the Insured to the Federal Aviation Administrator requesting such cancellation, or

(d) As to any aircraft or contract five (5) days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator with the approval of the Military Air Transport Service.

Warranted free from any claim for loss, damage or expense covered under any commercial policy in effect for the benefit of the Insured. This Policy may be cancelled, in whole or in part, by the Federal Aviation Administrator if comparable insurance becomes obtainable on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States. The Insured agrees that it will promptly notify the Federal Aviation Administrator of any significant change in the terms and conditions under which insurance of the type provided by this Policy is obtainable from such sources.

Warranted during the term of this insurance the aircraft insured hereunder are American aircraft as defined in section 1301

(a), Title XIII of the Federal Aviation Act of 1958, as amended, and if at any time during such term an aircraft shall cease to be

an American aircraft as so defined, the insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft without the return of binding fee unless the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA  
By FEDERAL AVIATION ADMINISTRATOR,  
ACTING FOR THE SECRETARY OF  
TRANSPORTATION.

(Federal Aviation Administrator)

Date.....

NOTE: Additional standard forms of war risk hull insurance policies will be prescribed by the Federal Aviation Administrator, and published in the FEDERAL REGISTER as an amendment to § 198.107 and this appendix.

APPENDIX D—STANDARD FORMS OF WAR RISK LIABILITY INSURANCE, EXCLUSIVE OF CARGO LIABILITY, POLICIES, NAMED IN § 198.206

The standard form policy prescribed under § 198.206 is as follows:

FAA Form 2000-5 (12-67) (supersedes UST Form No. WRI-4B (9-63)).

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION, FEDERAL  
AVIATION ADMINISTRATION

Policy No. NON-FE-LWE .....

The United States of America (hereinafter the Federal Aviation Administrator, acting for the Secretary of Transportation, by this policy of insurance, in accordance with applicable provisions of law and subject to all limitations thereof, particularly Title XIII of the Federal Aviation Act of 1958, as amended, and in consideration of the agreement of the Secretary of Defense, to indemnify the Secretary of Transportation against all losses covered by War Risk Insurance provided, without premium, for U.S. air carriers having air transportation contracts with the Department of Defense and the payment of binding fees, does insure, without premium, (hereinafter referred to as the Insured) as specified in this Policy.

Insurance of the type indicated and in the limits shown below is provided in respect to each of the aircraft shown in the "Schedule of Aircraft and Government Contracts," attached hereto and made a part hereof, while being operated by the Insured under a contract listed in such schedule. The "Schedule of Aircraft and Government Contracts" may be revised from time to time by agreement of the Federal Aviation Administrator and the Insured and with the approval of the Military Air Transport Service to add aircraft or to add contracts.

Type of coverage	Each person	Each occurrence
Bodily injury or death (excluding passengers).....	\$.....	\$.....
Property damage.....	\$.....	\$.....
Bodily injury or death (passengers).....	\$.....	\$.....
Baggage and personal effects.....	\$.....	\$.....

The above amounts may not exceed the corresponding amounts in effect on the date of application for this insurance by which the Insured has insured, or self-insured, itself against similar liability arising from risks other than the war risks covered by this Policy.

The Insured agrees that if the amounts of insurance, or self-insurance, carried against liabilities arising from such other risks are reduced to amounts less than the amounts of insurance provided by this Policy, the insurance under this Policy shall be considered to have been automatically reduced to the new amounts at the time of such reduction.

This insurance covers from ..... M., a.s.t. of the ..... day of ....., 19....., until cancelled or terminated in accordance with the terms of this Policy.

Subject to the limits of liability, exclusions, conditions and other terms of this Policy, the Insurer hereby agrees to pay on behalf of the Insured all sums which the Insured shall be legally liable to pay and shall pay or by final judgment be adjudged to pay to any person or persons, including damages for care and loss of services, for personal injuries sustained, including death at any time resulting therefrom, or by reason of loss or damage to or destruction of property, including the loss of use thereof (but including property owned, rented, leased, in charge of, or transported by the Insured other than passenger baggage), in respect of the aircraft described and set forth in the attached "Schedule of Aircraft and Government Contracts" (each aircraft separately insured), while such aircraft are being operated by the Insured under the contracts listed in the Schedule, resulting from the risks which would be excluded from a commercial Aviation Liability Policy by the following clause:

"Any liability arising out of occurrence due directly or indirectly to war, invasion, insurrection, military, naval or usurped power, or by order of any civil authority."

Notwithstanding anything contained in the foregoing clause, this insurance does not cover any loss or damage or any legal liability arising out of or caused by or resulting from capture, seizure, arrest, restraint, detention, preemption, confiscation or requisition by the Government of the United States, or from arrests, restraints, or detentions under Customs or quarantine regulations or similar arrests, restraints or detentions not arising from actual or impending hostilities or sanctions.

The Insured shall, unless directed otherwise by the Insurer: defend in its name and behalf any suit against it alleging such injury or destruction and seeking damages on account thereof, even if such suit is groundless, false or fraudulent; but the Insurer shall at its election have the right to participate in or conduct such defense and to make such investigation, negotiation and settlement of any claim or suit as may be deemed expedient by the Insurer.

The Insurer shall reimburse the Insured, if suit is defended by the Insured, for: All premiums on bonds to release attachments for an amount not in excess of the applicable limits of liability of this Policy, all premiums on appeal bonds required in such suit, all costs taxed against the Insured in such suit, all expenses incurred by the Insured, all interest accruing after entry of judgment until the Insurer has paid, tendered or deposited in court such part of such judgment as does not exceed the limit of the Insurer's liability thereon: *Provided*, That the Insurer shall pay only such expenses incurred as a result of a claim covered by this Policy.

In the event of any happening which may result in loss, damage or expense for which the Insurer may become liable, prompt notice thereof, on being known to the Insured, shall be given by the Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime emergency conditions or regulations shall not prejudice this insurance.

If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the Insurer a copy of every demand, notice, summons or other process received by him or his representatives.

The Insured shall not make any admission of liability, either before or after any occurrence which may result in a claim for which the Insurer may be liable. The In-

sured shall not interfere in any negotiations of the Insurer for settlement of any legal proceedings in respect of any occurrence for which the Insurer is liable under this Policy: *Provided, however*, That in respect of any occurrence likely to give rise to a claim under this Policy, the Insured is obligated to and shall take such steps to protect his and the Insurer's interests as would reasonably be taken in the absence of this or similar insurance.

Whenever required by the Insurer, the Insured shall aid in securing information and evidence and in obtaining witnesses and shall cooperate with the Insurer in the defense of any claim or suit or in the appeal from any judgment, in respect of any occurrence as hereinbefore provided.

No action shall lie against the Insurer unless as a condition precedent thereto, the Insured shall have fully complied with all of the terms of this Policy nor until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Claimant and the Insurer. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent such judgment or written agreement is not in excess of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the Insurer as a codefendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Insurer of any of its obligations hereunder.

The Insurer shall be subrogated to all the rights which the Insured may have against any other person or entity, in respect of any payment made under this Policy, to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure to the Insurer such rights.

The insurance provided hereunder applies only to the aircraft described in the attached "Schedule of Aircraft and Government Contracts" while the aircraft involved is being operated by the Insured, during the Policy period, under a contract listed in that Schedule when the injury, loss or damage leading to the liability occurs. Such operations under the listed contracts shall be deemed to include ferry flights to position or deposition the aircraft, provided that on such ferry flight the aircraft does not carry any passengers, cargo or mail for remuneration or hire, and provided further that such ferry flight is operated nonstop (1) to the point of origin of the military traffic flight or (2) from the point of destination of the military traffic flight back to the point of origin, or to a maintenance base normally used by the Insured, or to a point where the Insured intends to place the aircraft in commercial or military service.

The insurance provided hereunder does not cover any liability under the provisions of Public Law 267, 64th Congress, approved September 7, 1916, known as the Federal Employees Compensation Act.

The insurance provided hereunder does not apply to persons or property engaged or transported exclusively in air commerce within the several States of the United States and the District of Columbia.

This Policy shall terminate:

- Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended, or
- Five (5) days after telegraphic notice of cancellation has been dispatched to the

Insured by the Federal Aviation Administrator, or

(c) As to any aircraft or contract upon the date specified in a notice from the Insured to the Federal Aviation Administrator requesting such cancellation, or

(d) As to any aircraft or contract five (5) days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, with the approval of the Military Air Transport Service.

Warranted free from any claim for loss, damage or expense covered under any commercial policy in effect for the benefit of the Insured. This Policy may be canceled, in whole or in part, by the Federal Aviation Administrator if comparable insurance becomes obtainable on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States. The Insured agrees that it will promptly notify the Federal Aviation Administrator of any significant change in the terms and conditions under which insurance of the type provided by this Policy is obtainable from such commercial sources.

Warranted that during the term of this insurance the aircraft insured hereunder are American aircraft as defined in section 1301 (a), Title XIII of the Federal Aviation Act of 1958, as amended, and if at any time during such term an aircraft shall cease to be an American aircraft as so defined, the insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft without return of binding fee unless the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA
By FEDERAL AVIATION ADMINISTRATOR,
ACTING FOR THE SECRETARY OF
TRANSPORTATION.

(Federal Aviation Administrator)

Date \_\_\_\_\_

NOTE: Additional standard forms of war risk hull insurance policies will be prescribed by the Federal Aviation Administrator, and published in the FEDERAL REGISTER as an amendment to § 198.306 and this appendix.

APPENDIX E—FORMS OF APPLICATION, NAMED IN § 198.301

The application forms that must be used under § 198.301 are as follows:

(a) FAA Form 2000-6 (12-67) (supersedes UST Form No. WRI-6 (8-63)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION

Application for Premium War Risk Carriers Liability to Cargo Insurance

Application is made for Premium War Risk Carriers Liability to Cargo Insurance, pursuant to Title XIII of the Federal Aviation Act of 1958, as amended, and in accordance with all provisions of law and subject to all limitations thereof, on the aircraft described in the attached Schedule of Aircraft, with the understanding that this application does not commit the Government to any liability or make the applicant liable for any premium unless insurance is effected by the Federal Aviation Administrator:

Name of applicant \_\_\_\_\_

Address \_\_\_\_\_

Loss, if any, payable to \_\_\_\_\_

Limits of liability desired for each of the aircraft described in the attached Schedule of Aircraft shall be specified, but the limit for any one accident shall not exceed \$1 million.

Insurance to attach, in the event of outbreak of war between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics and the United States of America), at and from 24 hours from midnight G.M.T. of the day on which such outbreak of war occurs. Nevertheless, should the aircraft:

(1) Be in the air when such outbreak of war occurs, or

(2) Being at an airport depart therefrom as a measure of safety in respect to an insured peril within 24 hours of such outbreak of war,

this insurance shall not attach until midnight G.M.T. of the day on which the aircraft lands wherever such landing may be regardless of whether or not accidental damage has been sustained by the aircraft.

If this application is for insurance with respect to a foreign-flag aircraft, it shall be accompanied by the statement specified in § 198.3 of the regulations of the Federal Aviation Administrator (14 CFR Part 198) which statement shall be deemed to be a part of this application.

Binding fee (not returnable unless application is rejected) is \$25 per aircraft.

Check payable to the Treasurer of the United States for the total amount of all binding fees enclosed herewith.

Rate of premium shall be fixed by the Federal Aviation Administrator, acting for the Secretary of Transportation.

The war risk insurance applied for hereunder shall not cover war risks on property (cargo) transported exclusively in air commerce within the several States of the United States and the District of Columbia.

Applicant warrants that the particulars herein are true and complete to the best of his knowledge and that no information has been withheld or suppressed.

Applicant agrees that this application and the terms and conditions of the form of policy prescribed by the Federal Aviation Administrator, acting for the Secretary of Transportation, will constitute the basis of any contract between him and the United States of America.

Applicant \_\_\_\_\_

By \_\_\_\_\_

(Name and Title)

Date \_\_\_\_\_

Schedule of Aircraft

To be attached to FAA Form 2000-6 (12-67)

Table with 3 columns: Make, model, and configuration (passenger, cargo or convertible); FAA identification No. or equivalent; Limits of liability desired for each aircraft.

(b) FAA Form 2000-6.1 (12-67) (supersedes UST Form No. WRI-6A (8-63)).

UNITED STATES OF AMERICA

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION

Application for Nonpremium War Risk Carriers Liability to Cargo Insurance

Application is made for War Risk Carriers Liability to Cargo Insurance, without pre-

mium, pursuant to Title XIII of the Federal Aviation Act of 1958, as amended, and in accordance with all provisions of law and subject to all limitations thereof, on the aircraft described in the attached Schedule of Aircraft, with the understanding that this application does not commit the Government to any liability unless insurance is effected by the Federal Aviation Administrator.

Name of applicant \_\_\_\_\_

Address \_\_\_\_\_

Date and number of applicant's Department of State contract(s) \_\_\_\_\_

Loss, if any, payable to \_\_\_\_\_

Limits of liability desired for each of the aircraft described in the attached Schedule of Aircraft shall be specified but the limit for any one accident shall not exceed \$1 million.

Insurance to attach while the aircraft described in the attached Schedule are being operated by the applicant under its Department of State contract(s) No. \_\_\_\_\_ dated \_\_\_\_\_

Binding fee (not returnable unless application is rejected) is \$25 per aircraft.

Check payable to the Treasurer of the United States for the total amount of all binding fees enclosed herewith.

The war risk insurance applied for hereunder shall not cover war risks on property (cargo) transported exclusively in air commerce within the several States of the United States and the District of Columbia.

Applicant warrants that the particulars herein are true and complete to the best of his knowledge and that no information has been withheld or suppressed.

Applicant agrees that this application and the terms and conditions of the form of policy prescribed by the Federal Aviation Administrator, acting for the Secretary of Transportation, for war risk carriers liability to cargo insurance provided to U.S. air carriers having agreements with the Department of State, will constitute the basis of any contract between him and the United States of America.

Applicant \_\_\_\_\_

By \_\_\_\_\_

(Name and Title)

Date \_\_\_\_\_

Schedule of Aircraft

To be attached to FAA Form 2000-6.1 (12-67)

Table with 3 columns: Make, model, and configuration (passenger, cargo, or convertible); FAA identification No. or equivalent; Limits of liability desired for each aircraft.

APPENDIX F—STANDARD FORMS OF WAR RISK CARRIERS LIABILITY TO CARGO INSURANCE INTEREST BUSINESS, NAMED IN § 198.306

The standard form Interest Business prescribed under § 198.306 are as follows:

(a) FAA Form 2000-7 (12-67) (supersedes UST Form No. WRI-7 (8-63)).

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION, FEDERAL  
AVIATION ADMINISTRATION

Interim Binder No. PR-CLWR

The United States of America, represented by the Federal Aviation Administrator, acting for the Secretary of Transportation, in consideration of the binding fee and premium provided for herein, hereby insures, in accordance with applicable provisions of law and subject to all limitations thereof, particularly Title XIII of the Federal Aviation Act of 1958, as amended, against Carriers Liability to Cargo War Risks only, subject to the conditions stated herein, on the aircraft described in the attached Schedule of Aircraft.

Name of Insured -----  
Address -----  
Loss, if any, payable to -----

Limits of liability set forth in the Schedule of Aircraft attached to the Insured's application for premium war risk carriers liability to cargo insurance, a copy of which is attached hereto and made a part hereof, as representing the limits of liability insurance desired for each of such aircraft shall be the sums insured, but liability for any one accident shall not exceed \$1 million.

Attaching in the event of outbreak of war between any of the four Great Powers (France, Great Britain and/or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics and the United States of America), at and from 24 hours from midnight G.M.T. of the day on which such outbreak of war occurs. Nevertheless, should the aircraft:

- (1) Be in the air when such outbreak of war occurs, or
- (2) Being at an airport depart therefrom as a measure of safety in respect to an insured peril within 24 hours of such outbreak of war,

this insurance shall not attach until midnight G.M.T. of the day on which the aircraft lands wherever such landing may be regardless of whether or not accidental damage has been sustained by the aircraft.

This binder shall terminate:

- (a) Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended, or
- (b) Three years from its date, or
- (c) Five days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, or

(d) Upon the issuance of a policy by the Federal Aviation Administrator with respect to any insurance bound herein which is covered by that policy, whichever shall occur first.

The insurance provided hereunder does not cover any war risks on property (cargo) transported exclusively in air commerce within the several States of the United States and the District of Columbia.

There shall be deemed to be incorporated herein all of the terms, conditions, and warranties contained in the applicable war risk carriers liability to cargo insurance policies prescribed by the Federal Aviation Administrator pursuant to the provisions of § 198.306 of the regulations of the Federal Aviation Administrator (14 CFR Part 198).

The premium rate for this insurance shall be subject to review and revision by the Federal Aviation Administrator each calendar month. Unless the revised premium rate is accepted in writing by the Insured within

ten days after dispatch of notice of the amount thereof, the insurance provided hereunder shall automatically terminate at the end of such ten day period. Premium at the new revised rate shall be charged for the ten day period during which this insurance remained in force, unless the Federal Aviation Administrator receives notice within such period of the refusal of the Insured to accept such new revised premium rate, in which event premium at the new revised rate shall be charged for that portion of the ten day period prior to receipt of such notice. Upon receipts of such notice of nonacceptance, the insurance provided hereunder shall terminate, notwithstanding any other provision for cancellation in this binder. In the event this insurance is cancelled, or otherwise terminated, and not replaced by a policy, there shall be a premium charge hereunder for the period during which this insurance has been in force. Premium payments shall be made to the Federal Aviation Administrator by check payable to the order of the Treasurer of the United States of America.

In the event of any loss covered by this binder, prompt notice thereof shall be given by the Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime conditions or regulations shall not prejudice this insurance.

The Insurer shall be subrogated to all rights which the Insured may have against any other person or entity in respect of any payment made under this binder to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure such rights to the Insurer.

Warranted that during the period of this binder and the term of any insurance attaching hereunder the aircraft is (1) an American aircraft as defined in section 1301(a), Title XIII of the Federal Aviation Act of 1958, as amended, or (2) a foreign-flag aircraft engaged in aircraft operations deemed by the Federal Aviation Administrator to be in the interest of the national defense or the national economy of the United States, and if, at any time during the binder period or after insurance attaches hereunder, the aircraft shall cease to come within either (1) or (2) above, or ceases to be operated by the Insured, this binder and insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft, without return of premium unless the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA  
By FEDERAL AVIATION ADMINISTRATOR,  
ACTING FOR THE SECRETARY OF  
TRANSPORTATION.

(Federal Aviation Administrator)

Date -----  
(b) FAA Form 2000-7.1 (12-67) (super-  
sedes UST Form No. WRI 7-A (9-63)).

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION, FEDERAL  
AVIATION ADMINISTRATION

Interim Binder No. NON-PR-CLWR

The United States of America, represented by the Federal Aviation Administrator, acting for the Secretary of Transportation, in consideration of the agreement of the Secretary of State to indemnify the Secretary of Transportation against all losses covered by war risk insurance provided, without premium, for U.S. air carriers having agreements with the Department of State for the continuation of regularly scheduled service or the provision of charter service, and in considera-

tion of the binding fee provided for herein hereby insures, in accordance with applicable provisions of law and subject to all limitations thereof, particularly Title XIII of the Federal Aviation Act of 1958, as amended, against Carriers Liability to Cargo War Risks only, subject to the conditions stated herein, on the aircraft described in the attached Schedule of Aircraft to be operated by the Insured under Department of State contract(s) No. -----, dated -----.

Name of Insured -----  
Address -----  
Loss, if any, payable to -----

Limits of liability set forth in the Schedule of Aircraft attached to the Insured's application for war risk carriers liability to cargo insurance, without premium, a copy of which is attached hereto and made a part hereof, as representing the limits of liability insurance desired for each of such aircraft shall be the sums insured, but liability for any one accident shall not exceed \$1 million.

Attaching while the aircraft described in the schedule are being operated by the Insured under its Department of State contract(s) No. -----, dated -----.

This binder shall terminate:

- (a) Upon expiration of the authority of the Secretary of Transportation to provide War Risk Insurance under Title XIII of the Federal Aviation Act of 1958, as amended, or
- (b) Three years from its date, or
- (c) Upon expiration or cancellation of the Insured's agreement(s) with the Department of State dated -----, or
- (d) Five days after telegraphic notice of cancellation has been dispatched to the Insured by the Federal Aviation Administrator, or
- (e) Upon the issuance of a policy by the Federal Aviation Administrator with respect to any insurance bound herein which is covered by that policy,

whichever shall occur first.

The insurance provided hereunder does not cover any war risks on property (cargo) transported exclusively in air commerce within the several States of the United States and the District of Columbia.

There shall be deemed to be incorporated herein all of the terms, conditions, and warranties contained in the applicable war risk carriers liability to cargo insurance policies prescribed by the Federal Aviation Administrator pursuant to the provisions of § 198.306 of the regulations of the Federal Aviation Administrator (14 CFR Part 198).

In the event of any loss covered by this binder, prompt notice thereof shall be given by the Insured to the Federal Aviation Administrator, but failure to give such prompt notice because of wartime conditions or regulations shall not prejudice this insurance. The Insurer shall be subrogated to all rights which the Insured may have against any other person or entity in respect to any payment made under this binder to the extent of such payment, and the Insured shall, upon the request of the Insurer, execute all documents necessary to secure such rights to the Insurer.

Warranted that during the period of this binder and the term of any insurance attaching hereunder the aircraft is an American aircraft as defined in section 1301(a), Title XIII of the Federal Aviation Act of 1960, as amended, and if, at any time during the binder period or after insurance attaches hereunder the aircraft shall cease to be an American aircraft as so defined, or ceases to be under the agreement with the Department of State, this binder and insurance provided hereunder shall automatically terminate at the time of such change with respect to such aircraft without return of binding fee unless

the Federal Aviation Administrator agrees otherwise.

UNITED STATES OF AMERICA  
By FEDERAL AVIATION ADMINISTRATOR,  
ACTING FOR THE SECRETARY OF  
TRANSPORTATION.

(Federal Aviation Administrator)

Date \_\_\_\_\_

NOTE: The reporting and/or recordkeeping contained herein have been exempted from clearance by the Bureau of the Budget.

[F.R. Doc. 67-14918; Filed, Dec. 27, 1967;  
8:45 a.m.]

**Chapter XV—Office of the Under Secretary of Commerce for Transportation, Department of Commerce**

**PART 1501—WAR RISK INSURANCE**

CROSS REFERENCE: For a document superseding Part 1501 of Chapter XV of Title 14, see F.R. Doc. 67-14918, Part 198, Chapter I of this title, *supra*.

**Title 16—COMMERCIAL PRACTICES**

**Chapter I—Federal Trade Commission**

**SUBCHAPTER C—REGULATIONS UNDER SPECIFIC ACTS OF CONGRESS**

**PART 300—RULES AND REGULATIONS UNDER THE WOOL PRODUCTS LABELING ACT OF 1939**

**Imported Wool Products**

On September 12, 1966, a notice of proposed rulemaking was issued by the Federal Trade Commission. Such notice was published in the FEDERAL REGISTER on September 15, 1966. The notice stated that on October 26, 1966, the Commission would hold a public hearing and give consideration to a proposal to amend the rules and regulations under the Wool Products Labeling Act of 1939 to provide a procedure for testing imported wool products and for determination of whether such products comply with the Wool Products Labeling Act of 1939 and the rules and regulations thereunder.

The notice of proposed rule making provided that views, arguments or other pertinent data could be submitted in writing on or before the date of the hearing or presented orally at the hearing and that further written views, arguments and data could be submitted for 20 days after such public hearing.

A draft of the proposed rule designated as proposed § 300.36 (Rule 36) of the rules and regulations under the Wool Products Labeling Act of 1939 was made a part of the notice of proposed rule making.

Pursuant to such notice interested parties were afforded an opportunity to submit the written arguments and other data until October 26, 1966. Interested parties were afforded an opportunity to present their views orally at the public hearing held pursuant to the notice of

proposed rule making on October 26 and October 27, 1966. Further written views, arguments and data were received for 20 days after the public hearing. All views, arguments, and data presented pursuant to the notice of proposed rule making were made a part of the public record.

Interested parties were also afforded an opportunity to confer informally with representatives of the staff of the Commission's Bureau of Textiles and Furs whenever such a request was made and to present their views informally either orally or in writing.

After due consideration of the proposed amendment and all pertinent information and material relating thereto available to the Commission, including suggested revisions, deletions, and additions thereto, and all views, arguments, or other data submitted, the Commission on June 21, 1967, amended the rules and regulations under the Wool Products Labeling Act of 1939 by adding a new section thereto designated as § 300.36 (Rule 36) of Part 300, rules and regulations under the Wool Products Labeling Act of 1939. Such amendment was published in the FEDERAL REGISTER on June 24, 1967, and provided that interested persons might submit their comments within 30 days after publication, but specified that this should not affect the effective date unless the Commission should so order. The effective date was specified as 120 days after publication in the FEDERAL REGISTER.

In accordance with the aforesaid notice, the Commission afforded interested parties further opportunity to submit written comments for thirty (30) days after publication of the notice in the FEDERAL REGISTER. All views, arguments, and data so submitted have been made a part of the public record.

After due consideration of all pertinent information and material available to it including comments and views presented both formally and informally after publication of the amendment on June 24, 1967, the Commission determined to defer the effective date of the rule and to revise § 300.36 (Rule 36). By notice issued on October 18, 1967, and published in the FEDERAL REGISTER on October 21, 1967, the Commission deferred the effective date of § 300.36 (Rule 36) pending further order of the Commission. On October 30, 1967, the Commission issued a proposed revision of § 300.36 (Rule 36) which was published in the FEDERAL REGISTER on November 2, 1967. Written views, arguments, and other pertinent data were received by the Commission for fifteen (15) days after publication of the proposed revision in the FEDERAL REGISTER as provided in the notice. Such written views, arguments, and data have been made a part of the public record and have been fully considered by the Commission.

After consideration of the proposed amendment of § 300.36 (Rule 36) of the rules and regulations under the Wool Products Labeling Act of 1939 and of the entire record in the matter including suggested changes, additions to, deletions

from, and modifications of the proposed amendments, § 300.36 (Rule 36) of Part 300, the rules and regulations under the Wool Products Labeling Act of 1939 is amended to read as follows:

**§ 300.36 Imported wool products.**

(a) *Filing of notice of entry.* Any person who imports wool products into the United States that are subject to a requirement for formal entry through Customs shall file with the Bureau of Customs, at the time of entry for consumption or at the time of entry or withdrawal for consumption from warehouse, a form (Form 36A) in quadruplicate, in the manner prescribed by the Federal Trade Commission showing (1) the proposed type of entry of the shipment (consumption, warehouse, etc.), (2) the port of entry of the shipment, (3) the country of origin of the shipment, (4) a complete description of the products contained in the shipment and the cost thereof per unit in American dollars, (5) the information contained in the required fiber content labels affixed to wool products contained in the shipment, (6) the names and addresses of (i) the exporter, (ii) the manufacturer, (iii) the importer of record, and (iv) the actual importer of the wool products, and (7) the signature of the person filing such form. The original and two copies of Form 36A will be forwarded by the Bureau of Customs to the Bureau of Textiles and Furs, Federal Trade Commission, Washington, D.C. 20580, one copy being retained by the Bureau of Customs.

(b) *Temporary retention in customs.* Wool products subject to this section will be temporarily retained in Customs custody and not released to the importer until the Commission has issued a notice of release: *Provided, however,* That such wool products may be released from Customs custody prior to receipt of the required notice of release upon the giving of a bond, such as an immediate delivery and consumption entry bond, in a form acceptable to the Commissioner of Customs conditioned upon the redelivery to Customs custody of the goods or any part thereof, upon demand by an officer of the Bureau of Customs based upon the determination of the Commission not to issue a notice of release.

(c) *Notice of release.* The Commission will issue a notice of release in one of the following ways: (1) A preentry notice of release may be obtained in appropriate cases where the requirements of paragraph (d) of this section are met by the importer. (2) At ports of entry where a Commission inspector is on duty, he will, upon examination of the Form 36A, either issue a notice of release or inform the importer that certification or testing as provided in paragraph (e) of this section is required. Failure to make such determination within 3 working days after Form 36A is filed at such a port of entry shall be equivalent to the issuance of a notice of release. (3) At ports of entry where no Commission inspector is on duty, a determination whether to issue a notice of release or to require certification or testing will be made within 3 working days after the

## RULES AND REGULATIONS

Commission receives the Form 36A. Failure of the Commission to make any determination within this period shall be equivalent to issuance of a notice of release. (4) If certification or testing is required, a notice of release will be issued by the Commission when and if the requirements of paragraph (e) of this section are satisfied.

(d) *Preentry notice of release.* The Commission will, at the request of an importer and upon a proper showing, issue a notice of release prior to entry into the United States of any shipment of wool products. Requests for preentry release shall be accompanied by such information or data, including manufacturers' records, laboratory analyses, foreign government certifications, and certifications of government designated trade associations or other bodies, as will show no reason to believe that they may be misbranded. The Commission will also consider as relevant a statement that such products are of the same type, category, and fiber content and from the same manufacturer as products that were previously released by the Commission if such statement is accompanied by a copy of the original notice of release. Requests for preentry notice of release shall be filed as early as possible, but in no case less than 7 working days prior to the entry of any shipment. Prior to entry, the Commission will either (1) issue a notice of release, (2) inform the importer that it will require certification and testing of such shipment, or (3) inform the importer that the information submitted is insufficient to support a determination.

(e) *Certification or testing.* (1) Where the Commission has reason to believe that any wool products subject to this section may be misbranded, it may determine not to issue a notice of release but to require that such wool products be held for certification or testing. In such a case, at the option of the Commission, the Commission may (i) accept a certification as to the fiber content of such products based on a test method and sampling procedure approved by the Commission and submitted by a laboratory included in the Commission's list of approved testing laboratories, or (ii) require that it be furnished with samples of the wool products extracted by a person designated by the Commission, which the Commission will test or have tested at the expense of the importer. Upon acceptance of a proper certification or test results showing the products to be correctly labeled, the Commission will immediately issue a notice of release.

(2) If the certification or test results show the goods to be misbranded, the Commission will not issue a notice of release until after the goods have been correctly relabeled. If the certification or test results demonstrate that there are such wide variations in the fiber content of individual wool products as to preclude a determination of fiber content on the basis of random sampling, the Commission will not issue a notice of release until after it has determined, upon consultation with the importer, the manner in which such goods should be

relabeled, and such goods have been relabeled in conformity with that determination. Relabeling will be done at the expense of the importer, and the Commission will issue a notice of release immediately upon the receipt of satisfactory evidence from the importer showing that the goods have been correctly relabeled.

(f) *Forfeiture of bond.* Upon determination by the Commission that a notice of release will not be issued and where such wool products have been released to an importer under a bond described in paragraph (b) of this section, demand for their redelivery will be made. The failure of the importer to redeliver wool products to Customs custody, after demand therefor, shall subject such importer to payment of liquidated damages as provided for in the bond referred to in paragraph (b) of this section.

(g) *Examination and testing after release.* Any notice given by the Commission as to the manner of labeling imported wool products or any notice of release of wool products given under this section shall be without prejudice to the right of the Commission to subsequently examine and test additional wool products contained in any shipment of imported wool products which has been subject to the procedure provided by this section or to make inspections or investigations relative to such products. The Commission will not proceed against any party for misbranding of wool products which have been subject to the testing procedures provided by this section without notice to such party and affording such party an opportunity to take such effective action as the Commission may deem appropriate to cause any misbranded products to be properly labeled: *Provided, however,* That such party must be able to establish that the wool products have been subject to the testing procedures provided by this section.

## STATEMENT OF BASIS AND PURPOSE

Section 300.36 (Rule 36) of the rules and regulations under the Wool Products Labeling Act of 1939 is promulgated on the basis of the Commission's determination that such regulation is the most practical and equitable means of achieving substantial equality in the administration of the Wool Products Labeling Act of 1939 as applicable to domestic products and imported products and to assure that the ultimate consumer receives the same degree of protection with respect to both types of products.

Domestic manufacturers of wool products are required to keep extensive and detailed manufacturing records disclosing the fiber content of products manufactured by them, and are subject to penalties for failure to maintain such records. In many instances such records are records which would not ordinarily be kept in the regular course of business and are maintained at substantial expense to meet the requirements of the Wool Products Labeling Act of 1939 and the rules and regulations promulgated thereunder. Many domestic manufacturers also utilize fiber content testing performed at their own expense to sub-

stantiate their manufacturing records and to determine the fiber content of end products manufactured or sold by them.

Domestic manufacturers and dealers are also subject to inspections at their places of business by investigators of the Commission's Bureau of Textiles and Furs.

Foreign manufacturers and producers are not subject to the aforesaid requirements and are not subject to the jurisdiction of the Federal Trade Commission. Therefore, the Commission has found it necessary to develop a different program intended to achieve substantial equality in enforcement as between domestically produced products and imported products and designed to offer substantially equal protection to the public with reference to all types of wool products.

With respect to imported wool products, Commission enforcement efforts must necessarily be directed at other than the manufacturing level. Since the Commission has no authority to require record-keeping by foreign producers as to the accuracy of labeling, or to impose sanctions upon them in cases of misbranding, it therefore looks primarily to their customers, American importers, for compliance with the statute. The documentary information submitted by these importers on the form which they are required to file (Form 36A) and the documentary information they may file in requesting preentry release, as set forth in paragraph (d) of Rule 36, shall be considered confidential information under § 4.10 of the Commission's rules of practice, 32 F.R. 8442 (1967), and subject to the requirements of § 4.11 of those rules.

The testing or certification procedures of Rule 36 are not intended to be applicable to products which are not indicated to be subject to widespread misbranding. The rule provides for the testing or certification by an approved laboratory of wool imports prior to their entry into American channels of commerce in only those instances, hopefully infrequent, where, for the purpose of facilitating effective administration and enforcement of the Act, it is in the public interest to require such testing or certification before the imports move into the stream of domestic commerce.

The rule contemplates a cooperative endeavor between importers and the Government. If, upon testing or certification, products are found to be correctly labeled, the rule provides for their immediate release. If, however, they are found to be misbranded, the importer will be given the opportunity to relabel the products in accordance with the requirements of American law and, upon proper relabeling, the goods will immediately be released. In situations where imported wool products, initially tested or certified and released by the Commission, are subsequently found to be misbranded, the Commission will not proceed against any party without notice where such party is able to show that the goods were subject to this procedure, but will afford reasonable opportunity for fully corrective action to be taken.

[Docket No. 10663, Amdt. 198-1]

**PART 198—WAR RISK INSURANCE**

**Increase in Binding Fees**

The purpose of these amendments to Part 198 of the Federal Aviation Regulations is to increase the amounts of binding fees for hull and liability war risk insurance issued pursuant to title XIII of the Federal Aviation Act of 1958 (49 U.S.C. 1531-1542).

In view of the experience of the FAA to date and future forecasts, the binding fees provided for in Part 198 (established in 1953) are not sufficient to keep the war risk insurance program completely on a self-sustaining basis as contemplated. The revenues from the binding fees for the fiscal year 1968 through 1970 have consistently and significantly fallen short of meeting the administrative expenses.

Accordingly, these amendments increase the binding fee per aircraft for war risk hull or war risk liability (exclusive of cargo liability) insurance from \$100 to \$200, and for war risk carriers liability to cargo insurance from \$25 to \$50. It is anticipated that these binding fees, as increased, will place the program on a self-sustaining basis.

Since these amendments relate to agency management, procedures, and practices, notice and public procedure thereon are not required, and they may be made effective in less than 30 days.

In consideration of the foregoing, Part 198 of the Federal Aviation Regulations is amended as follows, effective November 4, 1970:

1. By striking out the figure "\$100.00" wherever it occurs in §§ 198.102 and 198.202, and in paragraphs (a), (b), and (c) of Appendix A, and substituting the figure "\$200.00" therefor.

2. By striking out the figure "\$25.00" wherever it occurs in § 198.302, and in paragraphs (a) and (b) of Appendix E, and substituting the figure "\$50.00" therefor.

(Sec. 1307(a), Federal Aviation Act of 1958; 49 U.S.C. 1537(a); sec. 6(a)(3)(C), Department of Transportation Act; 49 U.S.C. 1655 (a)(3)(C); sec. 1.47(b), Regulations of the Office of the Secretary of Transportation, 49 CFR 1.47(b))

Issued in Washington, D.C., on October 28, 1970.

**J. H. SHAFFER,**  
*Administrator.*

[F.R. Doc. 70-14886; Filed, Nov. 4, 1970;  
8:48 a.m.]