

(June 29, 1948, ch. 704, §17, 62 Stat. 1075.)

#### EXCEPTIONS FROM TRANSFER OF FUNCTIONS

For exception of functions of corporations of Department of Agriculture from transfer of functions to Secretary of Agriculture by Reorg. Plan No. 2 of 1953, see Exceptions From Transfer of Functions note set out under section 712a of this title.

#### § 714p. Release of innocent purchasers of converted goods

A buyer in the ordinary course of business of fungible goods sold and physically delivered by a warehouseman or other dealer who was regularly engaged in the business of buying and selling such goods shall take or be deemed to have taken such goods free of any claim, existing or hereafter arising, by Commodity Credit Corporation, based on the want of authority in the seller to sell such goods, provided the buyer purchased such goods for value in good faith and did not know or have reason to know of any defect in the seller's authority to sell such goods. To be entitled to relief under this section a buyer must assert as an affirmative defense and establish by a preponderance of the evidence the facts necessary to entitle him to such relief.

(June 29, 1948, ch. 704, §19, as added May 23, 1955, ch. 46, 69 Stat. 65.)

#### CHAPTER 15A—INTERSTATE TRANSPORTATION OF PETROLEUM PRODUCTS

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#### CONSTRUCTION OF PETROLEUM PIPE LINES

Act July 30, 1941, ch. 333, 55 Stat. 610, as amended June 30, 1943, ch. 180, 57 Stat. 270; June 8, 1945, ch. 177, 59 Stat. 233; July 25, 1947, ch. 327, §1, 61 Stat. 449, related to the construction of pipe lines for the transportation and/or distribution of petroleum or petroleum products moving in interstate commerce, or the extension or completion of any such pipe lines already wholly or partly constructed, that might be necessary for national-defense purposes. Section 9 of Act July 30, 1941, provided that neither the President, any department or agency of the Government nor any person shall exercise any of the powers conferred by sections 2, 3, 4, or 6 of Act July 30, 1941, after June 30, 1946, and in no case shall any pipe line constructed, extended or completed under authority of section 4 be operated or maintained by or under the direction or control of the President or any department or agency of the Government after the expiration of one year after the termi-

nation of the unlimited national emergency proclaimed on May 27, 1941. Joint Res. July 25, 1947, ch. 327, §3, 61 Stat. 451, provided that in the interpretation of Act July 30, 1941, the date July 25, 1947, shall be deemed to be the date of termination of any state of war theretofore declared by Congress and of the national emergency proclaimed by the President on May 27, 1941.

#### NATIONAL DEFENSE PIPE LINES

Construction of a national defense pipe line from Baton Rouge, Louisiana, to Greensboro, North Carolina, by the Plantation Pipe Line Company was authorized by Proc. No. 2505, Aug. 23, 1941, 6 F.R. 4429, 55 Stat. 1670.

Construction of a national defense pipe line from South Portland, Maine, through North Troy, Vermont, to Montreal, Canada, by the Portland Pipe Line Company was authorized by Proc. No. 2517, Oct. 1, 1941, 6 F.R. 5081, 55 Stat. 1691.

Construction of a national defense pipe line from Port Saint Joe, Florida, to Chattanooga, Tennessee, by the Southeastern Pipe Line Company was authorized by Proc. No. 2508, Sept. 3, 1941, 6 F.R. 4583, 55 Stat. 1672.

Construction of one or more national defense pipe lines from Port Saint Joe, and other points on the Gulf Coast of Florida to the Saint Johns River, Florida, and a crude-oil pipe line from Yazoo, Mississippi, to Charleston, South Carolina and/or Savannah, Georgia, was authorized by act July 23, 1942, ch. 520, §1, 56 Stat. 703, as amended June 17, 1943, ch. 127, 57 Stat. 156.

Construction of a national defense pipe line from El Dorado, Arkansas, to Helena, Arkansas, by the Project Five Pipe Line Corporation, was authorized by Proc. No. 2567, Aug. 28, 1942, 7 F.R. 6839, 56 Stat. 1975.

#### § 715. Purpose of chapter

It is declared to be the policy of Congress to protect interstate and foreign commerce from the diversion and obstruction of, and the burden and harmful effect upon, such commerce caused by contraband oil as herein defined, and to encourage the conservation of deposits of crude oil situated within the United States.

(Feb. 22, 1935, ch. 18, §1, 49 Stat. 30.)

#### SHORT TITLE

Act Feb. 22, 1935, which is classified to this chapter, is popularly known as the "Hot Oil Act" and also as the "Connally Hot Oil Act".

#### § 715a. Definitions

As used in this chapter—

(1) The term "contraband oil" means petroleum which, or any constituent part of which, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of a State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State, or any of the products of such petroleum, except petroleum or any of its constituent parts, title to which has been acquired by a State pursuant to its laws.

(2) The term "products" or "petroleum products" includes any article produced or derived in whole or in part from petroleum or any product thereof by refining, processing, manufacturing, or otherwise.

(3) The term "interstate commerce" means commerce between any point in a State and any point outside thereof, or between points within the same State but through any place

outside thereof, or from any place in the United States to a foreign country, but only insofar as such commerce takes place within the United States.

(4) The term “person” includes an individual, partnership, corporation, or joint-stock company,

(Feb. 22, 1935, ch. 18, §2, 49 Stat. 30; Pub. L. 89-644, Oct. 13, 1966, 80 Stat. 890.)

#### AMENDMENTS

1966—Pub. L. 89-644 inserted provisions in par. (1) exempting petroleum or any of its constituent parts, title to which has been acquired by a State pursuant to its laws.

#### § 715b. Interstate transportation of contraband oil forbidden

The shipment or transportation in interstate commerce from any State of contraband oil produced in such State is prohibited. For the purposes of this section contraband oil shall not be deemed to have been produced in a State if none of the petroleum constituting such contraband oil, or from which it was produced or derived, was produced, transported, or withdrawn from storage in excess of the amounts permitted to be produced, transported, or withdrawn from storage under the laws of such State or under any regulation or order prescribed thereunder by any board, commission, officer, or other duly authorized agency of such State.

(Feb. 22, 1935, ch. 18, §3, 49 Stat. 31.)

#### § 715c. Suspension of operation of section 715b of this title

Whenever the President finds that the amount of petroleum and petroleum products moving in interstate commerce is so limited as to be the cause, in whole or in part, of a lack of parity between supply (including imports and reasonable withdrawals from storage) and consumptive demand (including exports and reasonable additions to storage) resulting in an undue burden on or restriction of interstate commerce in petroleum and petroleum products, he shall by proclamation declare such finding, and thereupon the provisions of section 715b of this title shall be inoperative until such time as the President shall find and by proclamation declare that the conditions which gave rise to the suspension of the operation of the provisions of such section no longer exist. If any provision of this section or the application thereof shall be held to be invalid, the validity of application of section 715b of this title shall not be affected thereby.

(Feb. 22, 1935, ch. 18, §4, 49 Stat. 31.)

#### § 715d. Enforcement of chapter

##### (a) Rules and regulations

The President shall prescribe such regulations as he finds necessary or appropriate for the enforcement of the provisions of this chapter, including but not limited to regulations requiring reports, maps, affidavits, and other documents relating to the production, storage, refining, processing, transporting, or handling of petroleum and petroleum products, and providing for

the keeping of books and records, and for the inspection of such books and records and of properties and facilities.

##### (b) Certificate of clearance for petroleum and petroleum products

Whenever the President finds it necessary or appropriate for the enforcement of the provisions of this chapter he shall require certificates of clearance for petroleum and petroleum products moving or to be moved in interstate commerce from any particular area, and shall establish a board or boards for the issuance of such certificates. A certificate of clearance shall be issued by a board so established in any case where such board determines that the petroleum or petroleum products in question does not constitute contraband oil. Denial of any such certificate shall be by order of the board, and only after reasonable opportunity for hearing. Whenever a certificate of clearance is required for any area in any State, it shall be unlawful to ship or transport petroleum or petroleum products in interstate commerce from such area unless a certificate has been obtained therefor.

##### (c) Review of order of denial of certificate of clearance

Any person whose application for a certificate of clearance is denied may obtain a review of the order denying such application in the United States District Court for the district wherein the board is sitting by filing in such court within thirty days after the entry of such order a written petition praying that the order of the board be modified or set aside, in whole or in part. A copy of such petition shall be forthwith served upon the board, and thereupon the board shall certify and file in the court a transcript of the record upon which the order complained of was entered. Upon the filing of such transcript, such court shall have jurisdiction to affirm, modify, or set aside such order, in whole or in part. No objection to the order of the board shall be considered by the court unless such objection shall have been urged before the board. The finding of the board as to the facts, if supported by evidence, shall be conclusive. The judgment and decree of the court shall be final, subject to review as provided in sections 1254, 1291, and 1292 of title 28.

(Feb. 22, 1935, ch. 18, §5, 49 Stat. 31.)

#### CODIFICATION

In subsec. (c), “sections 1254, 1291, and 1292 of title 28” substituted for “sections 128 and 240 of the Judicial Code, as amended [28 U.S.C. 225 and 347]” on authority of act June 25, 1948, ch. 646, 62 Stat. 869, the first section of which enacted Title 28, Judiciary and Judicial Procedure.

#### § 715e. Penalties for violation of chapter

Any person knowingly violating any provision of this chapter or any regulation prescribed thereunder shall upon conviction be punished by a fine of not to exceed \$2,000 or by imprisonment for not to exceed six months, or by both such fine and imprisonment.

(Feb. 22, 1935, ch. 18, §6, 49 Stat. 32.)