

who was contacted and waived inspection. In the instance of an international shipment by an ocean or air carrier, SF 361 shall be furnished the carrier before the property is removed from the carrier's possession, except as provided in §101-40.702-1(b).

(b) If the damaged property is of a perishable nature or is in such a condition as to be potentially injurious to life, health, or property, prompt notification to the carrier shall be made by telephone and confirmed in writing. If the carrier fails to perform a timely inspection and to participate in the disposition proceedings, necessary steps shall be taken to dispose of the property in a manner which will mitigate the loss to the carrier and avoid injury to other property or persons.

(c) In the instance of a domestic shipment, if the lost or damaged shipment involves nonperishable material, the property shall be held for a reasonable time (usually 5 workdays after notification) to allow the carrier time to complete inspection.

(d) When an entire shipment is lost, the consignee shall notify the origin carrier by telephone and use SF 361 to confirm the notification.

[42 FR 25860, May 20, 1977, as amended at 51 FR 24341, July 3, 1986; 51 FR 27539, Aug. 2, 1986]

§ 101-40.703-3 Notice of concealed loss, damage, or shortage.

(a) *Domestic shipments.* When loss, damage, or shortage that was not apparent at the time of delivery is subsequently discovered, and the total amount of loss, damage, or shortage, including unearned freight charges, where applicable, on a single bill of lading or other transportation document, is known to exceed \$50 or the amount (\$50 or less) set by the agency pursuant to §101-40.702.3(a), the delivering carrier (not a drayage or switching carrier) shall be notified by telephone and requested to inspect the property involved. Unless there are extenuating circumstances, the notification and request for inspection shall be made by telephone not later than 15 calendar days from the date of receipt of the shipment and confirmed on SF 361. SF 361 shall include the date the telephone request for inspection was made and

the name of the carrier's representative who was contacted. A copy of the notification and request for inspection shall be retained for possible claim purposes. Wrappings, packing materials, and any unopened packages shall be retained for the carrier's inspection. A copy of the carrier's inspection report shall be requested for use in determining liability or preparing a claim. If the carrier fails to make an inspection within a reasonable time as stated in §101-40.703-2(c), or if the carrier waives the opportunity to perform an inspection, the carrier shall furnish an oral or written waiver as provided in SF 361.

(b) *International shipments.* When loss, damage, or shortage that was not apparent at the time of removal of the property from the carrier's possession is subsequently discovered when the packages are opened, the carrier shall be notified promptly in writing using SF 361. When an ocean carrier is involved, the written complaint shall be given to the carrier or its agency at the port of discharge within 3 calendar days of delivery (46 U.S.C. 1303(6)). When an international air carrier is involved, a written complaint to the carrier shall be given within 14 calendar days of receipt of the property (Article 26 of the Warsaw Convention, 49 Stat. 3020, as interpreted and applied by the Civil Aeronautics Board in its Order 78-8-10 of August 3, 1978). Written notice to ocean and international air carriers shall indicate a reasonable period of time for inspecting concealed loss or damage.

[51 FR 24342, July 3, 1986; 51 FR 27539, Aug. 2, 1986, as amended at 52 FR 21034, June 4, 1987]

§ 101-40.704 Disposition of damaged property.

§ 101-40.704-1 Transportation for account of the Government.

(a) *Repair and utilization.* Where damaged property can be repaired economically and satisfactorily, arrangements shall be made by the Government agency paying the transportation charges, or its authorized representative, to have the repairs effected and to claim against the carrier for the costs thereof. Alternatively, the carrier may be allowed to perform the repairs or make