

Decision No. 27084

BEFORE THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Establishment of)
regulations governing the handling of)
C.O.D. shipments and accounting for) Case No.3710
collections made thereon by "transportation)
companies" and "passenger stage corporations.")

J. D. Maynard, in propria persona,
Frank De Marco, in propria persona,
A. Larrsen and H. L. Howland, by H.L.Howland for
Quincy Railroad Company,
E. Frasher, for Valley Motor Lines, Valley Express
Co., E. Frasher Truck Lines and George Harm
Truck Lines,
J. N. Anderson, for Associated Film Service Carriers
of Southern California, and in particular J. N.
Anderson Theater Service, Goldberg Film Delivery,
Dulcie A. Miller, Kimbrough Film Delivery,
interested parties,
H. D. Lucas, for Pacific Greyhound Lines, Inc.
C. S. Mc Lenegan, for Pioneer Express Co.
L. B. Young, for Pacific Motor Transport Co. and
Pacific Motor Trucking Co.

SEAVEY, Commissioner -

ORIGINAL

O P I N I O N

By its order, issued November 6, 1933, the Railroad Commission instituted an investigation on its own motion in the matter of "altering, amending and/or enlarging the provisions of General Order No.84, and the establishment of regulations governing the handling of C.O.D. shipments and accounting for collections made thereon by 'transportation companies' and 'passenger stage corporations,' " as they are denominated by Chapter 213, Statutes of 1917, as amended, and by the Public Utilities Act.

At the same time the Commission mailed a copy of its proposed amended order, designated as General Order No.84-A, to every holder of a certificate authorizing transportation of property by automotive power under the jurisdiction of the

Commission and also notice of public hearing set thereon.

The principal amendment proposed in General Order No.84¹ was the requirement of bond, to be filed with the Commission by all carriers undertaking C.O.D. service, or their withdrawal from such service.

Public hearing were held at San Francisco and Los Angeles.

The existing order requires:

"IT IS HEREBY ORDERED that each automotive 'transportation company', as defined in the Auto Stage and Truck Transportation Act, and each 'passenger stage corporation', as defined in the Public Utilities Act, handling C.O.D. shipments shall, immediately upon collection of any and all moneys, and in no event later than ten (10) days after delivery to the consignee, unless consignor instructs otherwise, remit to the consignor all moneys collected by it on such shipment.

IT IS HEREBY FURTHER ORDERED that the above C.O.D. rule be published in the tariffs of the respective carriers within a reasonable time."

Experience with disobedience of this order disclosed that the culpable certificated operators seldom had any funds to pay the delinquencies found and the penalty of revocation in no way reimbursed the C.O.D. creditors. The result was that shippers required special C.O.D. bonds from the carriers they patronized, and some mercantile associations required such bonds for the benefit of their members. This imposed cost of a number of bonds upon many carriers, practically all of whom had obeyed General Order No.84 strictly. In other cases, the Commission

¹ Promulgated by the Commission May 28, 1929, by Decision No.21163, in Case No.2676. (33 C.R.C. 118).

found it necessary to exercise discipline over carriers, and only the imminence of revocation of their operating rights caused them to pay the delinquent charges. Seldom, however, has the amount involved exceeded \$1000.00.

The obvious best protection for both shipper and carrier is the filing with the Commission of a bond. For this purpose the present proceeding was instituted. At the hearings there was no dissenting voice and none in communications filed herein. The cost of the bond to be required is very low.

Because the carriers serving Los Angeles have been required by ordinance ² to file C.O.D. bond in the sum of \$2500.00 as a prerequisite to obtaining an "interurban stage permit," it was asked by those furnishing such bond if the proposed order could be so framed as to require only one bond. This appears practicable and the proposed order has been amended to that effect. Copies were sent to all entering appearances at the hearings and no objection has been received.

I therefore recommend that the order, as amended, be adopted in the following form:

O R D E R

An investigation having been instituted by the Commission in the matter of altering, amending, and/or enlarging the provisions of General Order No.84, public hearings having been held and the matter having been duly submitted,

THE RAILROAD COMMISSION OF THE STATE OF CALIFORNIA HEREBY FINDS AS A FACT that the order hereinafter set forth is a just and reasonable regulation. Therefore,

2

Ordinance No.71485 N.S.

IT IS HEREBY ORDERED that from and after the effective date of this order the following regulation shall be in full force and effect and shall be designated as General Order No.84-A:

"GENERAL ORDER

No.84-A

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA

REGULATIONS GOVERNING THE HANDLING OF C.O.D. SHIPMENTS AND ACCOUNTING FOR COLLECTIONS MADE THEREON BY 'TRANSPORTATION COMPANIES' AND 'PASSENGER STAGE CORPORATION.'

Approved _____, 1934. Effective _____, 1934.

Authorized by C.R.C. Dec. _____, Case No.3710.

IT IS HEREBY ORDERED that within thirty (30) days from and after the effective date of this order each automotive 'transportation company,' as defined in the Auto Truck Transportation Act, and each 'passenger stage corporation,' as defined in the Public Utilities Act, shall file with this Commission, as a supplement to any rates, rules or regulations now on file or to be hereafter filed, the following rule:

'In the handling of C.O.D. shipments this carrier shall, immediately upon collection of any and all moneys, and in no event later than ten (10) days after delivery to the consignee, unless consignor, in writing, instructs otherwise, remit to the consignor all moneys collected by it on such shipment.'

IT IS FURTHER ORDERED that such 'transportation company' or 'passenger stage corporation' filing such rule, as provided, shall provide and file with it a good and sufficient bond in such form as the Commission may deem proper, in the sum of One Thousand Dollars (\$1000.00), which bond shall be filed by

such carrier as principal and by some solvent surety company, authorized to do business in the State of California, as surety, payable to the State of California, and/or any person, or persons, to whom any amount may be due on any C.O.D. shipment transported by said carrier and not remitted to person, or persons, to whom it is due, within ten (10) days after delivery of any such shipment; provided, however, that where such carrier has filed with any municipality or board thereof, pursuant to ordinance, a bond in a sum not less than One Thousand Dollars (\$1000.00), payable to said board or municipality and/or any person, or persons to whom any amount may be due on any C.C.D. shipment transported by said carrier and not remitted to person, or persons, to whom it is due within ten (10) days after delivery of any such shipment, the filing by such carrier of a certified copy of said bond with this Commission shall be deemed compliance with this paragraph.

IT IS FURTHER ORDERED that any such carrier may, within thirty (30) days from and after the effective date of this order, tender his election to not undertake C.O.D. transportation of shipments, and may withdraw and cancel his rules, regulations and rates therefor, if any, and henceforth shall not be required to receive nor transport such shipments.

General Order No. 84 is hereby revoked and annulled.

This General Order shall become effective on June 30, 1934.

Approved and dated at San Francisco, California, this

_____ day of _____, 1934.

RAILROAD COMMISSION OF THE STATE OF CALIFORNIA,

By

H.C. Mathewson, Secretary."

The effective date of this Opinion and Order shall be
May 31, 1934.

The foregoing Opinion and Order are hereby approved and
ordered filed as the Opinion and Order of the Railroad
Commission of the State of California.

Dated at San Francisco, California, this 21st day
of May, 1934.

C. L. Seavey
Leon Williams
M. A. Evans
M. B. Williams
Walter Brown
COMMISSIONERS.