

A. 30505-AH
Cor. No. 1

Decision No. 43343

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Elmer C. Gardner, owner of Petrolia)
Stage of Ferndale, California, for) Application No. 30505
order exempting him from Item 250)
of Highway Carrier's Tariff No. 2--)
in regard to Collections.)

Appearance

G. E. Goodwin of Huber and Goodwin,
for applicant.

O P I N I O N

Applicant, doing business as Petrolia Stages, conducts a common carrier service for the transportation of passengers, freight and express between Ferndale and South Fork in Humboldt County. In addition, he transports United States mail. He seeks authority to depart from the provisions of Decision No. 31606 (41 CRC 671 (1938)), as amended, relating to the time within which charges for the transportation of property must be collected.¹

Public hearing was had before Examiner Lake on August 25, 1949, at Ferndale.

Applicant testified that his operations are conducted within a sparsely settled agricultural area; that all of the services are operated with the same equipment; that approximately 40 shipments per day are transported; and that the majority of them are comprised of small consignments of items of subsistence and supply for ranchers and are subject to minimum charges. Through arrangements with the consignees, such shipments together with the freight bills are left at

¹ Highway carriers are required to collect charges for the transportation of property within seven days after presentation of the freight bills. They are allowed seven days after delivery of the property within which to issue their freight bills.

mail boxes or at gateways along the highway. Statements are rendered to consignees at the end of each month for services performed during the month. Payment of charges is made in most instances on or before the tenth of the following month. These arrangements, he alleged, have proved to be necessary to the efficient conduct of his operations. Moreover, they are assertedly in accord with the long-established practices of his customers who pay their current bills at the end of each month.

The witness asserted that to enforce the credit rule would disrupt the time schedules and delay the mail. He stated that the only way he could comply with the rule without impairing the service would be to arrange for collections at times other than during scheduled operations. This, he said, would necessitate employing one additional person and providing him with an automobile, the cost of which would exceed the revenues derived from both freight and express operations.

The application was supported by shipper witnesses, the Ferndale Chamber of Commerce and the local chapter of the California State Grange. It was not opposed.

When the credit rule was adopted it was recognized that because of the existence of special conditions, deviations from the rule might be necessary (Decision No. 31606, supra). One of the important deviations has been the numerous exemptions granted in connection with so-called "parcel delivery" service. That type of service forms the bulk of applicant's operations. Parcel carriers generally follow the practice of billing and collecting charges on a monthly basis.

It is clear that the application of the credit rule, under conditions under which the applicant operates, would be extremely burdensome. The record supports the granting of authority to bill charges on a monthly basis and to collect such charges not later

than the tenth day of the calendar month following delivery of the freight. Further relief has not been shown to be necessary.

O R D E R

The above-entitled application having been heard and submitted, full consideration of the matters and things involved having been had, and based upon the conclusions and findings in the preceding opinion,

IT IS HEREBY ORDERED that Elmer C. Gardner, doing business as Petrolia Stages, be and he is hereby authorized to depart in connection with his present common carrier operations from the rules and regulations set forth in Item No. 250 series of Highway Carriers' Tariff No. 2 (Appendix "D" to Decision No. 31606, as amended, in Case No. 4246) in connection with the time within which charges for the transportation of property must be collected and to the extent provided in Appendix "A", which is attached hereto and by this reference made a part hereof.

IT IS HEREBY FURTHER ORDERED that in all other respects the application be and it is hereby denied.

The effective date of this order shall be twenty (20) days after the date hereof..

Dated at San Francisco, California, this 27th day of September, 1949.

Justus J. Green
Leah F. Green
Harold P. Kule
Kenneth J. Potter
Commissioners

APPENDIX "A" TO DECISION NO. 43343

IN APPLICATION NO. 30505

(1) COLLECTION OF CHARGES

(a) Except as otherwise provided in this rule, transportation and accessorial charges shall be collected by the carrier prior to relinquishing physical possession of shipments entrusted to it for transportation.

(b) Upon taking precautions deemed by it to be sufficient to assure payment of charges within the credit period herein specified, the carrier may relinquish possession of freight in advance of the payment of the charges thereon and may extend credit in the amount of such charges accruing during a calendar month to those who undertake to pay them, such persons hereinafter being called shippers, and collection thereof made not later than the tenth day (excluding Sundays and legal holidays other than Saturday half-holidays) of the calendar month following the delivery of the freight.

(c) Where the carrier has relinquished possession of freight and collected the amount of charges represented in a freight bill presented by it as the total amount of such charges, and another freight bill for additional charges is thereafter presented to the shippers, the carrier may extend credit in the amount of such additional charges for a period of 30 calendar days to be computed from the first 12:00 o'clock midnight following the presentation of the subsequently presented freight bill.

(d) Freight bills for all transportation and accessorial charges shall be presented to the shippers not later than 12:00 o'clock midnight of the fifth day (excluding Sundays and legal holidays other than Saturday half-holidays) of the calendar month following the delivery of the freight.

(e) Shippers may elect to have their freight bills presented by means of the United States mail, and when the mail service is so used, the time of mailing by the carrier, as evidenced by the postmark, shall be deemed to be the time of presentation of the freight bills.

(f) The mailing by the shippers of valid checks, drafts, or money orders, which are satisfactory to the carrier, in payment of freight charges within the credit period allowed such shippers may be deemed to be the collection of the charges within the credit period for the purpose of these rules. In case of dispute as to the time of mailing, the postmark shall be accepted as showing such time.

(1) Will not apply to the transportation of property for the United States, state, county or municipal governments.