

Decision No. 65912

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of)
)
RAILWAY EXPRESS AGENCY, INCORPORATED,)
)
for exemption from the requirements)
of General Order No. 84-D, Sections 2)
and 7(a).)
_____)

Application No. 45473
(Filed May 28, 1963)

OPINION AND ORDER

Applicant is an express corporation, a highway common carrier, a highway permit carrier, and a city carrier as defined in the Public Utilities Code of the State of California, engaged in the transportation of property over the lines of other common carriers and in its own motor vehicles within California and throughout the United States. By this application it seeks exemption from those provisions of General Order No. 84-D which require that carriers may not handle C.O.D. shipments until a bond of not less than \$2,000.00 is provided and filed with the Commission and which require that carriers establish and maintain separate bank accounts wherein all moneys (other than checks or drafts payable to consignor or payee designated by consignor) collected on C.O.D. shipments will be held in trust until remitted to payee, except C.O.D. moneys which are remitted within five days after delivery.

Applicant and its predecessors have been in the express business for over 100 years and have provided express service, including the handling of C.O.D. shipments nationwide and intrastate within California. During said period applicant states that it has developed an efficient system which is utilized by it nationwide and intrastate within California concerning the handling of

C.O.D. shipments and the remitting of C.O.D. moneys. During the year 1961 the amount collected by applicant on C.O.D. shipments and remitted to consignors was in excess of \$50,000,000. The system set forth in Appendix A hereof is utilized uniformly in the handling of said shipments, collection of C.O.D. moneys and the remitting of said moneys with efficiency and dispatch. Applicant avers that the maintenance of separate bank accounts wherein all moneys collected on C.O.D. shipments are to be deposited would require a departure from its system that has proved satisfactory to shippers for many years, would require special arrangements for California intrastate C.O.D. shipments, require the re-education of applicant's personnel concerning the handling of C.O.D. moneys for California shipments only and would impair the efficiency of the system. Applicant states further that said requirement would result in slower, more difficult and more expensive handling of C.O.D. shipments within this State.

Regarding applicant's sought exemption from the filing of a C.O.D. bond, it states that as a nationwide express carrier which provides service nationwide and within California the volume of its C.O.D. business is indicated by the fact that in 1961 it handled in excess of 850,000 C.O.D. shipments system-wide and collected thereon in excess of \$50,000,000. The application states that said moneys were collected and remitted to shippers without the necessity of claims against any bond posted by applicant because of any failure to remit. Not only is said bond unnecessary from the standpoint of applicant's record and the experience of shippers but also because applicant is able to respond financially in the event of shipper loss. Applicant states that the requirement of the bond would add unnecessarily to the expense of operation of applicant within California.

General Order No. 84-D was established by the Commission to become effective October 1, 1963, by Decision No. 65244 dated April 16, 1963, in Case No. 7402. Paragraph 10 of the general order provides as follows: "If, in any particular case, exemption or deviation from any of the requirements herein is deemed necessary by the carrier concerned, the Commission will consider the application of such carrier for such exemption or deviation when accompanied by a full statement of the conditions existing and the reasons why such exemption or deviation is considered necessary."

No objection has been received to the granting of this application. However, California Trucking Association requests that the matter be set for public hearing "so that the Commission may evaluate the basis of distinction from the evidence considered in its general order, and make such findings in its order as may be utilized as precedent in any similar filings by other carriers having similar circumstances."

No necessity appears for a public hearing on this application. Matters of general scope relating to the requirements of General Order No. 84-D may be brought to the Commission's attention by the filing of an appropriate petition in Case No. 7402, a continuing investigation into the rules and regulations for the handling of C.O.D. shipments and related matters.

Based upon the full statement of conditions and reasons set forth in this application, the Commission finds that the sought exemption is justified.


Good cause appearing,

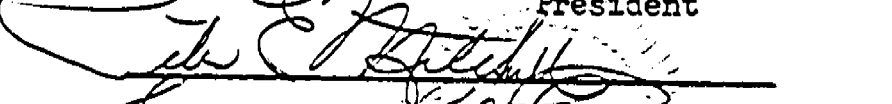
IT IS ORDERED that Railway Express Agency, Incorporated, is hereby authorized to handle C.O.D. shipments without providing

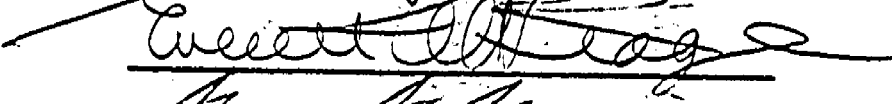
and filing the bond required by General Order No. 84-D and without maintaining a separate bank account for holding C.O.D. moneys not remitted five days or more after delivery; and that in all other respects the rules and regulations set forth in General Order No. 84-D shall govern the C.O.D. services involved in this proceeding.

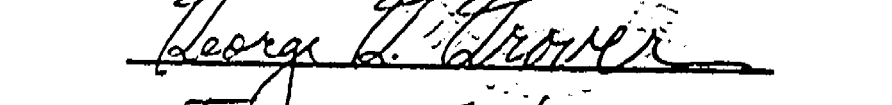
This order shall become effective twenty days after the date hereof.


Dated at San Francisco, California, this 20th day of August, 1963.



President








Commissioners

APPENDIX A

PROCEDURE USED BY RAILWAY EXPRESS AGENCY,
INCORPORATED, IN HANDLING AND REMITTING
C.O.D. MONEYS

Upon request of a shipper that a certain amount of money be collected from the consignee for remittance to him, the shipment specifically is so designated by a C.O.D. label. A brief form (No. 7175), is prepared showing the way bill number, shipper's name and address, consignee's name and address and the amount to be collected. This form is enclosed in a C.O.D. envelope and attached to the shipment. Upon arrival at destination it is removed and charged out to the driver who is making the delivery. He collects the designated amount from the consignee and settles it to the cashier or settlement clerk. The latter writes up a form entitled, "Report of Paid C.O.D.'s and Collections" (form No. 47). This form is prepared in triplicate. No later than the following day the original and duplicate, along with the brief form, are sent to the Assistant Treasurer of Railway Express Agency at Chicago. At the same time the cashier is making settlement of all his moneys so collected to a designated bank depository. When the Assistant Treasurer at Chicago receives the "Report of Paid C.O.D.'s and Collections" he checks it against the brief form (No. 7175) for accuracy of information and amount and on the same day as received a draft is drawn payable to the shipper and air-mailed from Chicago. The draft number has been placed on the brief form (No. 7175) which accompanies the order. The draft number has also been shown on copies of form No. 47,

"Report of Paid C.O.D.'s and Collections," so that there is a complete and clear record of the whole transaction. In the interim Applicant's agent has made settlement to its District Accounting Bureau located in San Francisco on a balance sheet on which are listed all C.O.D. shipments. The Assistant Treasurer reports to the District Accounting Bureau all C.O.D.'s that have been paid. The District Accountant checks the totals furnished him by the Assistant Treasurer with the amount shown on the agent's balance sheet to make certain that they have been paid.

End of Appendix A