

Decision No. 67310

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
SIGNAL TRUCKING SERVICE, LTD., a)
corporation, to depart from the)
provisions of General Order No. 84-D,)
under the provisions of the City)
Carriers' Act and of the Highway)
Carriers' Act.)

Application No. 46153
(Filed January 23, 1964
Amended April 14, 1964)

Berol, Loughran & Geernaert, by Edward
M. Berol, for applicant.
Robert Shoda, for the Commission staff.

O P I N I O N

Applicant, a corporation, seeks authority as a highway permit carrier to deviate from the provisions of paragraph 7(b) and 7(h) of General Order No. 84-E, relating to C.O.D. shipments, under which it is required to maintain certain records of C.O.D. shipments and to advise shippers of the status of its C.O.D. bond.^{1/} The authority is sought only in connection with deliveries performed by applicant for Sears, Roebuck & Co. and for Barker Brothers Corporation from their retail stores and warehouses in the Los Angeles area to their retail customers in southern California.^{2/}

This application was heard before Examiner Lane in Los Angeles on April 14, 1964 on which date it was submitted. Evidence

^{1/} Applicant operates under permits as a city carrier, a radial highway common carrier and a highway contract carrier. It also operates under a certificate as a highway common carrier. However, these latter operations are not herein involved.

^{2/} Applicant also handles C.O.D. shipments for other shippers. However, it does not seek relief from the General Order for this traffic.

in support of the application was adduced by applicant's secretary-treasurer, and by representatives of Sears and Barker. A member of the Commission staff assisted in developing the record through examination of applicant's witnesses. No one appeared in opposition to the granting of the authority sought.

According to the record, applicant provides a specialized delivery service of appliances, furniture and other merchandise for the two shippers involved in equipment which is devoted exclusively to the service of each shipper and is painted in the shippers' distinctive colors. The service is virtually a proprietary delivery service and includes setting up of appliances and other merchandise in the customers' homes. None of the shipments handled exceed 2,000 pounds in weight. The particular transportation herein involved is exempt from the application of minimum rates prescribed by the Commission.

Applicant transports about 2,500 shipments a day for Sears of which about 200 are C.O.D. shipments. For Barker, applicant handles about 1,000 shipments a day, including about 100 C.O.D. shipments. On an annual basis, Signal collects over \$4,000,000 on C.O.D. shipments for Sears. From April through December 1963, it collected about \$2,000,000 in C.O.D. monies for Barker.

Paragraph 7(b) of General Order No. 84-E requires carriers handling C.O.D. shipments to maintain a record of each such shipment showing various items of information, including (1) the number and date of the freight bill and (2) the name of the consignee. Applicant asserts that it does not issue freight bills for each shipment to either Sears or Barker. Also, in connection with transportation for Barker, the name of the consignee is not included in the records retained by the carrier. Consequently, applicant does not have information concerning these matters in its files. To this extent, it

seeks authority to depart from paragraph 7(b) of the general order.

Applicant's secretary-treasurer testified that over a period of thirty-five years applicant has developed a streamlined, simplified system of documentation for Sears' shipments. It has adopted this system with some minor modifications to the service it commenced for Barker in April 1963. The witness said that to comply with the foregoing requirements would require an extensive and costly revision of its documentation system.

The secretary-treasurer testified that Sears and Barker tender shipments to applicant on two copies of their respective sales tickets. A load manifest is prepared by applicant from these tickets for internal accounting purposes and to serve as a route guide for delivering the shipments. A copy of the load manifest and the two copies of the sales ticket accompany the delivery driver. The driver leaves one copy of the sales ticket with the customer and returns the second copy showing delivery information, the load manifest and the monies collected to the carrier's office. Signal retains the second copy of Sears' sales tickets but returns the Barker copies.

Applicant does not bill on an individual shipment basis but assesses charges on a cost plus agreed profit basis. The shippers make weekly installment payments for the estimated amount of charges due. The carrier renders to the shipper a single monthly freight bill for such additional amounts as may be due for any particular month. The secretary-treasurer asserted that to issue a freight bill for each shipment would place an undue burden on applicant, that individual freight bills were not required by the shippers or the carrier and that they would serve little, if any, useful purpose.

With respect to maintaining a record of the names of the consignees of Barker shipments, the secretary-treasurer said that this information is shown on the sales ticket but was not found

necessary and was not shown on the load manifest. With the return of the second copy of the sales ticket to Barker, there is no record of the consignee's name in the carrier's files. The witness said that this information was not essential to a complete identification of C.O.D. shipments under its system of documentation and to require the carrier to enter and maintain this information in its records would necessitate changes in its system and increase the costs of handling the traffic.

Representatives of Sears and Barker supported applicant's request. They testified that they had been and were continually working with the carrier to keep costs and, in turn, their shipping charges at a minimum. They said that for the carrier to show the number and date of a freight bill for each shipment and the names of consignees of Barker's shipments in its records would require a readjustment of its documentation system which would increase the carrier's costs. These witnesses testified they had never had a problem in connection with the handling and remitting of C.O.D. monies on shipments by applicant. They also said that the additional record keeping and documentation that the general order provisions in question would require would serve no purpose insofar as they were concerned.

With respect to recording the consignee's names on Barker shipments, the Barker representative stated that the shipper had found from experience that it was feasible to make only six legible copies of a sales ticket. Under its accounting system, each of these copies is required by Barker and, consequently, no copy is available to be retained by Signal. He said that the names of the consignees were readily available to the carrier on request from the shipper's files.

Paragraph 7(h) of the General Order requires that carriers record on or append to, the shipper's copy of the C.O.D. shipping documents certain information relating to the carriers' C.O.D. bond.

Applicant's secretary-treasurer testified that it was not feasible for it to have the required information printed on the shipper's sales tickets which were, in fact, the basic shipping documents and that it would have to provide the notification by separate documents. Fully to comply with the requirement would require applicant to notify Sears about 200 times a day and Barker about 100 times a day of the status of its C.O.D. bond. The witness said that this was burdensome and required applicant to perform an unnecessary and useless act.

The representatives of Sears and Barker said such notification was both unnecessary and undesirable insofar as they were concerned. They testified that they did not rely on the carrier's C.O.D. bond but rather on its proven integrity and reliability not only to handle their C.O.D. monies but to provide the specialized type of delivery service essential to their operations.

The evidence shows that the records maintained by applicant adequately identify C.O.D. shipments and transactions handled by it for the involved shippers. The evidence also shows that notice of the status of applicant's C.O.D. bond in connection with each C.O.D. shipment handled by the carrier for Sears and Barker would serve little, if any, purpose and is not required by these shippers. Based on the record, the Commission finds that the sought relief from General Order No. 84-E is justified.

The Commission concludes that the application, as amended, should be granted.

O R D E R

IT IS ORDERED that Signal Trucking Service, Ltd., a corporation, is hereby relieved as a city carrier, a highway contract carrier and a radial highway common carrier from the requirements of ordering paragraphs 7(b)(1) and 7(h) of General Order No. 84-E in the handling of C.O.D. shipments for Sears, Roebuck & Co. and from the requirements of ordering paragraphs 7(b)(1), 7(b)(3) and 7(h) of General Order No. 84-E in the handling of C.O.D. shipments for Barker Brothers Corporation.

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

Dated at San Francisco, California, this 2nd day of June, 1964.

William L. Bennett
President
Robert E. Zwick
Robert A. Ray
George L. Traver
Fredrick B. Hallock
Commissioners