

ORIGINAL

Decision No. 67311

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
WALTER E. MENDENHALL and WILBUR N.)
MENDENHALL, partners doing business)
as MENDENHALL TRANSPORTATION CO.,)
for an ex parte order for exemption)
from certain provisions of General)
Order No. 84-D.)

Application No. 46171
(Filed January 31, 1964;
Amended April 15, 1964)

O P I N I O N

Applicants (Mendenhall) operate as a highway common carrier and a passenger stage corporation in Humboldt, Siskiyou and Trinity Counties generally between Scotia, Fortuna, Eureka and Arcata and points along the Eel, Van Duzen, Mad, Trinity, Klamath and Salmon Rivers. By this application, as amended, they seek to be exempted from the provisions of paragraph 7(d) of General Order No. 84-E which prohibit carriers from accepting checks in payment of C.O.D. monies unless authorized by the shipper. The exemption is sought in connection with C.O.D. shipments delivered by Mendenhall which are handled locally over the lines of Mendenhall or which are handled in joint service over the lines of Callison Truck Line, Inc., (Callison) and the lines of Mendenhall. Rates for the joint service are provided in tariffs published by Callison.

Applicants allege that they serve an area that is largely rural and mountainous. For the most part, they provide the only freight and passenger service to this area.

According to the application, applicants handle approximately 75 C.O.D. shipments per month. In the area they serve, the only communities with banking facilities are Eureka, Fortuna and Arcata. It is alleged that this results in an extreme hardship for the receivers of C.O.D. shipments who are located at points many miles from the nearest bank, when required to pay by certified check or cash.

Applicants state that to attempt to notify consignees upon arrival of C.O.D. shipments, in order that the consignee might be prepared to pay by cash or certified check, would result in a considerable amount of delay in the delivery of the shipments, many of which are of an urgent nature.

Applicants further state that they deposit all C.O.D. collections in their regular bank account. Applicants then issue their own checks in payment of the C.O.D. amounts and forward them to the consignors, or any other party designated by the consignor. They assert that they have made it a practice for many years to accept, if necessary, and with a certain degree of caution, personal checks in payment of C.O.D. shipments and have never suffered a monetary loss as a result. They allege that they assume the risk for accepting personal checks in payment of C.O.D. monies and in no instance is any element of risk imparted to the consignor.

By letter dated April 29, 1964, Callison supports the application and asks, in the event the relief sought by Mendenhall is granted, that Callison be authorized to publish in its tariff the exemption, restricted to apply only on C.O.D. shipments transferred to Mendenhall for delivery. The letter of Callison is made a part of the record as Exhibit No. 1 in this proceeding.

Callison alleges that most of the shipments it transfers to Mendenhall originate in the San Francisco territory and are transferred to Mendenhall in Eureka the next morning. Because of the expedited service, Callison states there is no opportunity to provide Mendenhall with advance notice of C.O.D. shipments.

Upon consideration of the facts in this proceeding, the Commission finds that the sought relief is justified. A public hearing is not necessary.

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

O R D E R

IT IS ORDERED that:

1. Walter E. Mendenhall and Wilbur N. Mendenhall, partners doing business as Mendenhall Transportation Co., are hereby relieved as a highway common carrier and a passenger stage corporation from the requirements of ordering paragraph 7(d) of General Order No. 24-E in the handling of C.O.D. shipments delivered by them and which originate on their lines or the lines of Callison Truck Lines, Inc.

2. Walter E. Mendenhall and Wilbur N. Mendenhall, partners doing business as Mendenhall Transportation Co., and Callison Truck Lines, Inc., are hereby authorized to amend their tariffs to reflect the authority herein granted. Tariff publications authorized to be made as a result of the order herein may be made effective not earlier than ten days after the effective date hereof on not less than ten days' notice to the Commission and to the public.

3. The authority herein granted shall expire unless exercised within ninety days after the effective date of this order.

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

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

Hollander, Bernard
President
George W. Frazee
George H. Hoover
Fredrick B. Holbluff
Commissioners