

ORIGINAL

Decision No. 73768

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation on the Commission's own motion into the tariff rules and carrier practices thereunder, controlling the loss, damage and delay in delivery of personal property, including baggage, and the liability therefor, of AIR OASIS COMPANY, HOLIDAY AIRLINES, Lisle Air Service, Mercer Enterprises, Catalina Air Lines, Catalina Seaplanes, Pacific Southwest Airlines, Rick Helicopters and Sierra Pacific Airlines, Inc.

Case No. 8625
(Filed May 9, 1967)

McInnis, Foght & Fitzgerald by James A. McIntyre, for Pacific Southwest Airlines, and D. W. Mercer, for Mercer Airlines, respondents.
John A. Hummel and Lloyd S. MacDonald, for SFO Helicopter Airlines, and Alan H. Kenison, for Air California, interested parties.
Vincent MacKenzie, Counsel, for the Commission staff.

O P I N I O N

On May 9, 1967, the Commission issued an order instituting investigation into the reasonableness of the tariff rules and practices of all carriers of intrastate air passengers insofar as such tariff provisions limit liability for "loss of, delay in the delivery of, or damage to passenger baggage or other personal property, whether checked with, or delivered into the custody of the carrier or not, to a specified maximum liability limitation per passenger; and further insofar as any of said tariff provisions do

not assume the carriers' liability for the loss of, damage to, or delay in the delivery of money, jewelry, silverware, negotiable papers, securities, business documents, samples, antiques, paintings, artifacts, manuscripts, irreplaceable books or publications, and other similar valuables, within the types of personal property to which said liability should apply; and further insofar as any of the tariff provisions do not provide for adequate notification to passengers as to the extent of liability of said carriers for the loss of, damage to, or delay in the delivery of passenger baggage or other personal property, whether checked or not, and further insofar as any of said tariff provisions do not provide for adequate procedures for the checking and pickup of passenger baggage."

Copies of the order instituting investigation and notice of hearing were sent to Holiday Airlines, Inc., Lisle Funeral Home, doing business as Lisle Air Service, Mercer Enterprises, Catalina Air Lines, Inc., Catalina Seaplanes, Inc., Pacific Southwest Airlines, Inc., and Air California, Inc. Notice of hearing was sent to Ambassador Airlines, Inc., American Airlines, Inc., Bonanza Air Lines, Inc., Delta Air Lines, Inc., Helicabs, Inc., Los Angeles Airways, Pacific Air Lines, Inc., National Airlines, Inc., Pony Express Airlines, Inc., San Francisco and Oakland Helicopter Airlines, Inc., Trans World Airlines, Inc., United Air Lines, Inc., West Coast Airlines, Inc., Western Air Lines, Inc., Venable Aircraft Company, Inc., Cable Commuter Airlines, Golden West Airlines, Inc., and Skymark Airlines, Inc. Public hearings were held on September 27, 28, and 29, 1967 before Examiner Robert Barnett at San Francisco. The matter was submitted subject to the filing of briefs, which have been received.

The current limitation of liability for the transportation of baggage contained in the tariffs of air transportation companies operating within California varies from \$25 to \$500. The baggage liability rule promulgated by the Civil Aeronautics Board (CAB) provides for a limitation of liability of not less than \$500 per passenger. (Baggage Liability Rules Case, Docket No. 15529, Order No. E-24198, dated September 19, 1966.) The CAB rule is applicable "to the interstate air transportation of baggage performed by the local-service and trunkline carriers between points of origin and destination within the forty-eight contiguous states and the District of Columbia."^{1/} After the effective date of the CAB order,

^{1/}

The complete order is:

1. That the lawful rules for baggage liability applicable to the interstate air transportation of baggage performed by the local-service and trunkline carriers between points of origin and destination within the forty-eight contiguous states and the District of Columbia shall conform to the following:
 - a. The limitation of liability of the carriers for the loss of, damage to, or delay in delivery of, any personal property, including baggage (whether or not such property has been checked or otherwise delivered into the custody of the carrier) shall be not less than \$500 per passenger.
 - b. The limitation of liability of the carriers shall include and apply to loss of, damage to, or delay in delivery of money, jewelry, silverware, negotiable papers, securities, business documents, samples, paintings, antiques, artifacts, manuscripts, irreplaceable books or publications, or other similar valuables. A declaration of value on such valuables in excess of the carrier's limitation of liability shall be accepted by the carrier when such valuable articles are not included in checked baggage.
2. That the lawful rule as to interline checking of baggage on which excess valuation has been declared is as provided in Agreements CAB 239-A7 and 11914-A142, approved by Board Order E-22220, dated May 25, 1965.

all trunkline and local-service carriers amended their interstate and intrastate tariffs in accordance with the order. Carriers operating in California not affected by the order include the helicopter carriers, ^{2/} the interstate air-taxi operators, ^{3/} and the intrastate carriers. This investigation was instituted to determine if passengers traveling on carriers not subject to the CAB order require baggage protection similar to that afforded by the CAB.

Four public witnesses testified that they sustained losses on Pacific Southwest Airlines (PSA) because of lost baggage. Two sustained losses of approximately \$250, one of \$350, and one of \$650. In all cases they recovered only \$50, the limit of liability published in PSA's tariff. They want the liability limit raised.

A former Director of Airports at Los Angeles and Ontario testified that in his opinion the baggage liability limit should be the same for both intrastate and interstate flights. He testified that present methods of handling baggage at the large airports in California permit great opportunities for theft and, that the notification of baggage liability limits given to passengers is totally inadequate. The Airport Operations Coordinator of San Francisco International Airport recommended that a \$500 baggage liability limit be imposed. He testified that all California carriers, as well as the interstate carriers, have basically the

2/

Los Angeles Airways, and San Francisco and Oakland Helicopter Airlines.

3/

Those carriers utilizing aircraft with a gross weight of under 12,500 pounds.

same type of baggage pickup, and that it is not adequate. Current baggage pickup arrangements are invitations to theft. Both witnesses agree with the staff position (set forth below), but both witnesses were of the opinion that the baggage rules should not apply to charter flights, where the responsibility should be that of the person chartering the airplane.

A staff Assistant Transportation Engineer sponsored Exhibit No. 1, a comprehensive survey of air carrier baggage handling and baggage liability in California.

The survey, supplemented by additional testimony, showed that:

1. Had the CAB's \$500 baggage liability limit been in effect throughout 1966, 3,080,010 California intrastate passengers out of a total of 5,845,413 California intrastate passengers would have been covered by the \$500 limitation. Of the remaining passengers, the 2,705,700 passengers carried by PSA in 1966 were covered by the \$50 limit, and the balance were covered in varying amounts up to \$250.

2. The principal method of notifying the public of baggage liability limits, for intrastate carriers, was a notice printed on the baggage claim check. PSA prints the notice on the back of its claim check and staples the check to the ticket envelope so that the back cannot be read.

3. The methods of handling incoming and outgoing passenger baggage are essentially similar at all major airports^{4/} in California. At some airports passengers arriving for outbound flights are afforded express curbside baggage check-in service. Porters receive the baggage, make out a baggage ticket, and give the claim check to the passenger. In instances where curbside service is not available, the passenger proceeds to the airline ticket counter where his baggage is checked and ticketed. At most airports the baggage moves from behind the ticket counter on a conveyor belt to baggage areas where it is consolidated by destination and flight and placed on baggage carts which are hauled to the aircraft for loading. When an aircraft lands at an airport, the arriving baggage is placed on baggage carts and hauled either directly to the baggage claim area or, in the case of the larger airports, is placed on conveyor belts which carry the baggage to carrouseles at the baggage claim area.

4. Under present methods of handling passenger baggage many opportunities exist for loss, theft, damage, and delay. Unattended curbside baggage carts were observed and it would have been a simple matter to have taken previously checked baggage, baggage tickets, and claim checks from them. Checked baggage was observed piled outside of airline ticket counters. Easy public access to "restricted" areas was noted. Construction workers, employees of airport service companies, in-flight food service companies, and electronic companies, in addition to the general public, were noted in these areas. The self-claim procedure for baggage retrieval by passengers existed at all the airports and it would be easy to take baggage belonging to others.

^{4/} Sacramento Municipal Airport, Oakland International Airport, San Francisco International Airport, San Jose Municipal Airport, Los Angeles International Airport, Hollywood/Burbank Airport, Ontario International Airport, Long Beach Airport, Orange County Airport (Santa Ana), San Diego International Airport.

5. In addition to a lack of surveillance by the airlines themselves, there was a general absence of airport police in these areas. The only exception was observed at the San Francisco International Airport where uniformed Burns Detective Agency personnel at the United Air Lines and Western Airlines carrouseles were requesting some passengers to match their claim checks with the tickets on the baggage which they had retrieved. It was observed that only a sample check was being conducted. In varying degrees, and for varying lengths of time, it was noted at all airports surveyed that unclaimed luggage remained on the carrouseles, on the self-claim baggage platforms, or piled in areas in the immediate vicinity, without proper supervision.

6. In instances where a customer proceeds to his destination by two or more airlines via interline arrangements and his baggage is through-ticketed, existing procedures make it difficult to determine where or on which carrier the loss occurred. This was particularly noted with reference to San Francisco-Oakland Helicopter, and Los Angeles Airways.

A CAB compilation of losses reported by domestic trunk-line and local service carriers for the month of January 1965 shows:

<u>Number of Loss Claims</u>	<u>Under \$150</u>	<u>\$151 250</u>	<u>\$251 300</u>	<u>\$301 350</u>	<u>\$351 400</u>	<u>\$401 500</u>	<u>Over 500</u>
518	294	19	32	34	32	34	73
100%	57%	4%	6%	6%	6%	7%	14%

Available statistics on California intrastate baggage claims show:

	Period	Maximum Liability Without Declaration of Excess	Total claims settled in period	Times Maximum liability invoked	Total dollars claimed	Total dollars paid
PSA	1-1-66 through 12-31-66	\$ 50	349 ^{2/}	318	NA (not available)	\$ 18,369
Air Calif.	1-16-67 through 6-30-67	\$ 50	7	4	\$ 1,015	\$ 400
LAA ^{1/}	1-1-66 through 12-31-66	\$250	9	3	NA	NA
S.F.O.Heli. ^{1/}	1-1-66 through 12-31-66	\$100	10	6	NA	\$ 850

^{1/} The helicopter carriers only reported their intrastate passenger claims.

^{2/} 1,418 claims reached head office in 1966; in approximately 350 instances the baggage was eventually found; 349 claims were settled; the remaining claims are pending.

^{3/} Air California paid more than \$50 on at least one occasion.

The baggage claims supervisor for PSA testified to his company's baggage claim procedure: When a passenger reports a loss and fills out a tracer form, the form remains at the airport where the loss is reported for three days while a search is made. If the baggage is not recovered within three days the tracer is sent to the head office in San Diego where further investigation takes place, and, if the baggage is not found, the claim is paid. Approximately 95 percent of all lost baggage is found within the three-day period; baggage is eventually recovered for about 25 percent of the claims sent to the head office. Baggage recovered after three days is almost always found in another airlines' lost and found department. All airlines cooperate in a system to locate lost baggage. PSA is in the process of building a wire-enclosed cage at all its baggage areas which would be used to lock up baggage not immediately claimed. PSA is self-insured for baggage losses.

The witness testified that unclaimed baggage is sent to the head office where he inspects it in an attempt to determine ownership. There are usually 100 pieces of baggage at the head office at any particular time. In his opinion 75 percent of the bags and their contents have a value of \$250 or less. PSA interprets its baggage liability rule to mean \$50 maximum liability per baggage claim check, not per passenger.

The baggage claims manager of SFO Helicopter testified concerning his company's attempts to locate lost baggage; it is similar to industry practice and need not be set forth. Approximately 98 percent of all of his company's baggage claims involve

interline passengers, those who are either coming from another airline or going to another airline. Intrastate passengers numbered 23,318 in 1966, which is 10 percent of its total passengers. Total intrastate passengers in 1967 is estimated to be 30,000.

A vice president of SFO Helicopter testified that his company considers a \$100 liability limit to be adequate. Present baggage liability insurance, \$100 deductible, costs \$824 yearly. If liability limits are raised either the deductible will be raised or the premiums will be raised; either choice will be costly. The helicopter service shows a loss since its inception. Fares charged by the company average less than \$8 per passenger. In the witness's opinion any increase in liability will be unduly burdensome on SFO Helicopter.

A vice president of Air California testified that his company takes great care in attempting to prevent baggage losses. Air California has put an observer on the conveyor belt in San Francisco and on the carrousel. Ten minutes after the baggage arrives at the carrousel unclaimed baggage is removed from the carrousel and locked up. Employees are made aware of the seriousness of baggage losses and they become extra careful. Also, Air California has posted signs at its ticket counters and on its baggage claim checks stating the limits of its baggage liability. Because of the care taken, there were only seven claims made for lost baggage in a six-month period during which over 98,000 passengers were carried. In the witness's opinion claims made by

passengers have been considerably higher than the value of the contents of the baggage. The current premium paid by Air California for baggage liability insurance is small and the insurance policy contains a \$50 deductible provision. Air California's insurance company has said that because of Air California's loss record there would be no initial increase in premium if liability limits are raised.

Discussion

Baggage liability limits should be high enough to cover all but unusual or extraordinary cases. As the CAB has said, "the publishing of baggage liability limits is permitted for the protection of carriers against extraordinary claims. It should not be used as a device to relieve the carriers from responsibility for the safe carriage of the reasonable baggage requirements of air passengers. Nor should liability limits be viewed as basically a protection against fraud. Allowing limitations of liability to be based on an assumption of dishonesty would permit carriers to deny legitimate claims in order to avoid fraudulent ones."

(Baggage Liability Rules Case, Docket No. 15529, Order No. E-24198, dated September 19, 1966, sheet 11.) Also, the formulation of the state regulatory rule should consider the federal rule in the same field, which provides for a \$500 limit of liability, with a view toward achieving harmony between the rules and preventing undue discrimination between intrastate and interstate passengers. With these principles in mind, and for the reasons stated below, we find that the lawful rules of baggage liability shall provide that the carrier's limitation of liability for loss of, damage to,

or delay in delivery of any personal property, including baggage, whether checked or not, is not less than \$500 per passenger.

The statistical samples introduced into evidence clearly show that current liability limits are inadequate to protect the passengers. Depending on the airline involved, from 25 percent to 90 percent of loss claimants are forced to take less than the amount of their claim. A liability limitation that excludes such large numbers of claims is unduly restrictive on its face.

Although some of the statistical evidence presented was meager, a consideration of the entire record convinces us that a limitation of \$500 should be imposed rather than, let us say, \$250. The statistics submitted by Los Angeles Airways, the only reporting carrier with a \$250 limit, show that three out of a total of twelve intrastate loss claims were settled at the maximum limit of liability. This statistic is too small to be meaningful. Statistics submitted by the other airlines are even less helpful on the issue of amount of liability. Of the four public witnesses two would have benefited from a \$500 limit and all would have benefited from a \$250 limit. Here, too, the figures are statistically insignificant. However, the remaining evidence supports a \$500 minimum. PSA's baggage claims supervisor testified that he inspects unclaimed baggage in an attempt to determine ownership. In his opinion 75 percent of the bags and their contents have a value of \$250 or less. Based on this testimony, a \$250 limitation would not cover 25 percent of legitimate claims. And, on carriers not covered by the CAB rule over 95 percent of all California intrastate baggage losses occur on PSA's system.^{5/} The CAB compilation of losses for January 1965 shows that

^{5/} In passing we note that PSA has requested CAB certification which, if granted, would automatically require PSA to apply a \$500 baggage liability limitation.

a \$500 limit would cover 86 percent of the loss claim, while a \$250 limit would only cover 61 percent. By increasing the limit from \$250 to \$500 25 percent more claims are covered. We find that the statistical evidence presented in this record supports a \$500 limitation of liability.

By requiring a \$500 limitation of liability we also prevent undue discrimination between intrastate passengers traveling on different airlines, and between intrastate and interstate passengers. An intrastate passenger, or interstate passenger, traveling between Los Angeles and San Francisco on United Airlines or Western Airlines, for example, is covered by a \$500 baggage liability limit. The same passenger traveling on PSA, paying the same air fare, traveling on similar equipment, is only covered to \$50 for baggage loss. At the current rate of excess insurance on PSA, \$.10 per \$25 of declared value, the PSA traveler must pay \$1.80 extra for the same protection that the United Airlines or Western Airlines traveler obtains merely by paying for his air transportation.

The carriers argue that if the liability limitation is increased the carriers will have to institute tightened controls over the security of baggage. The present self-claim system provides speedy baggage pickup; it is not in the public interest, argue the carriers, to slow this process. The CAB has adequately answered this argument as follows:

"The argument appears to be that accelerating baggage pickup somehow relieves the carriers of their ordinary liability. On the contrary, the present baggage-handling procedure in itself argues for a higher limitation of liability. The carriers have :

chosen to employ baggage pickup procedures that do not require presentation of claim checks, and passengers are correspondingly less protected against theft of their baggage."

From the evidence in this record we cannot estimate the economic effect on the carriers of raising the limit of liability to \$500. The information submitted by Air California, Los Angeles Airways, and SFO Helicopter shows an insignificant number of claims, so raising the limit will not appreciably affect their operations. PSA put in no evidence as to economic effect. Its claim form does not provide a space where the claimant might insert a cash estimate of his loss. PSA has not shown the dollar amount of baggage loss claims. Raising the liability limit will undoubtedly have some economic effect on PSA, but that this will be significant in terms of its ability to serve has not been shown.

PSA, in its brief, requests a \$100 limit of liability and one of its arguments is that it "believes that the great majority of its passengers are either commuter or weekend travelers and, as such, carry less baggage than do passengers on not only the trucklines (sic), but also the local service carriers. Therefore, respondent submits that the percentage of claims in the amount of \$100 or less is much greater than the percentage indicated by the CAB certificated carriers." Even if PSA's "belief" could be substituted for convincing evidence, and the Commission found that the great majority of its passengers are either commuters or weekend travelers, there is still no evidence that these

travelers would be adequately covered for baggage loss by a \$100 limit, or anything less than a \$500 limit. And even if they were, the "lesser minority" are still entitled to protection. San Francisco and Los Angeles are about 350 air miles apart. They are great population centers, business centers, tourist centers, and convention centers. Passengers traveling between these two points carry substantial amounts of baggage and should get at least the same protection as passengers traveling between New York-Washington, Boston-New York, Chicago-Cleveland, and Chicago-Detroit, to name a few pairs of cities, short distances apart, between which travelers are protected by the CAB's \$500 baggage rule.

Our rule will cover the ordinary baggage requirements of the business and holiday traveler as well as those of the commuter. It is high enough to cover whatever values are considered reasonable by the great majority of passengers traveling under ordinary circumstances.

The adequacy of the notice given to passengers concerning liability limits for baggage loss and the availability of excess insurance becomes a less important issue as the limit of liability is increased. Nevertheless, notice on the back of the baggage claim check is inadequate. PSA suggests that notice of the baggage liability limitation be given by printing the limitation on both sides of the baggage claim check and on the ticket envelope given to passengers before flight, and also by posting signs in conspicuous places at each counter station. PSA's suggestion has merit but may not be flexible enough for the needs of other carriers. Our order will provide a choice which will include printing the baggage liability limitation on 1) both sides of the baggage claim check, or 2) on the ticket envelope, or 3) on a notice to be inserted in the ticket envelope, or 4) on the ticket. Any one, or combination of

such notices, is adequate. In addition to the foregoing each carrier should post signs at each counter station setting forth its baggage liability limitation, and each carrier should print the phrase "excess valuation insurance is available", or a similar phrase, on all notices and signs.

Although we intend to use the CAB limitation rule as a guide, one part of the CAB rule is ambiguous and may tend to confuse passengers; our rule will eliminate this part. The CAB rule, with the part to be eliminated underlined, is as follows:

- a. The limitation of liability of the carriers for the loss of, damage to, or delay in delivery of any personal property, including baggage (whether or not such property has been checked or otherwise delivered into the custody of the carrier) shall be not less than \$500 per passenger.
- b. The limitation of liability of the carriers shall include and apply to loss of, damage to, or delay in delivery of money, jewelry, silverware, negotiable papers, securities, business documents, samples, paintings, antiques, artifacts, manuscripts, irreplaceable books or publications, or other similar valuables. A declaration of value on such valuables in excess of the carrier's limitation of liability shall be accepted by the carrier when such valuable articles are not included in checked baggage.

The underlined sentence is unclear, and might be interpreted to mean that a passenger can obtain excess insurance over the \$500 limit for money, jewelry, securities, etc., that he carries onto the plane, but not when the items are included in checked baggage. The CAB does not explain why excess valuations are acceptable for carry-on items but not when the items are included in checked baggage. The loss of valuable items such as money, jewelry, and securities, when carried in checked baggage is covered up to \$500 by paragraph (a) of the rule. Excess insurance can be purchased on checked baggage. So, if a person combines \$500 worth of jewelry with \$500 worth of clothing in one bag, and purchases \$500 worth of excess insurance, the insured person

might reasonably conclude that if the bag is lost he should be able to claim \$1,000 on the theory that the normal limit of liability covers the \$500 worth of jewelry and the excess insurance covers the \$500 worth of clothing. But the CAB rule appears to deny recovery for the jewelry under these circumstances, even though the jewelry, if carried in a separately checked bag, and not declared at all, with no purchase of excess insurance, would, if lost, be covered up to \$500. This ambiguity can be resolved by eliminating the underlined sentence and by providing for excess insurance which will cover all personal property and baggage, whether checked or not.

This order shall apply to all passenger air carriers as defined in Public Utilities Code section 2741, and to all common carrier air transportation companies operating in California except local service and trunkline carriers subject to the baggage liability rules of the Civil Aeronautics Board.

SFO Helicopter Airlines appeared and objected to our jurisdiction over it because the order instituting investigation apparently includes all passenger air carriers within our jurisdiction "other than those certificated by the United States Government." SFO Helicopter claims that it is certificated by the United States Government within the meaning of the order instituting investigation and, therefore, cannot be affected by any order issued in this case. Staff counsel recognized the problem created by the language, said it was an oversight but that other portions of the order brought SFO Helicopter within its scope,^{6/} and requested

^{5/} Paragraph numbered (3) of the Order instituting investigation states: "Whether any other order or orders that may be in the public interest of intrastate air passengers where baggage or other personal property carried by respondents are lost, damaged or delivered delayed, should be entered in the lawful exercise of the Commission's jurisdiction."

that the order instituting investigation be amended to strike the language which apparently excluded all CAB certificated carriers. The examiner did not rule on the motion to strike but did offer SFO Helicopter a continuance to prepare its case. SFO Helicopter said one day would be sufficient, the case was continued for one day, and SFO Helicopter presented testimony which has been set out above and has been considered. The staff motion to strike the language underlined above is granted. The SFO Helicopter motion to be excluded from our order is denied. SFO Helicopter had notice of the hearing, appeared, was granted a continuance, presented testimony, and argued its case - due process has been satisfied.

Findings of Fact

1. We adopt as findings of fact all of sheet 5 of this mimeographed opinion starting with paragraph numbered 1 on that page, and all of sheets 6, 7 and 8.
2. Twenty-five percent of the unclaimed baggage and their contents left with PSA have a value of over \$250.
3. A baggage liability limitation of less than \$500 per passenger would be unduly discriminatory against California intrastate passengers. Passengers traveling on CAB certificated trunkline and local service carriers between points in California are protected by a \$500 baggage liability limitation.
4. Present baggage liability limits of less than \$500 per passenger, for air carriers subject to this order, are unreasonable; public convenience and necessity require that baggage liability limitations for such air carriers be not less than \$500 per passenger as more specifically set forth in the order which follows.

5. Notice given to passengers concerning liability limits for baggage loss and the availability of excess insurance is inadequate, and all air carriers subject to this order shall conform to the standards set forth in the order which follows.

Based on the findings herein, we conclude that air carriers subject to this order shall amend their tariffs and make changes in their baggage notification procedures in accordance with the following order.

O R D E R

IT IS ORDERED that:

1. The lawful rules for baggage liability limitation applicable to passenger air carriers as defined in Public Utilities Code section 2741, and to all common carrier air transportation companies operating in California except local service and trunk-line carriers subject to the baggage liability rules of the Civil Aeronautics Board shall be as follows:

a. The limitation of liability of the carriers for the loss of, damage to, or delay in delivery of, any personal property, including baggage (whether or not such property has been checked or otherwise delivered into the custody of the carrier) shall be not less than \$500 per passenger.

b. The limitation of liability of the carriers shall include and apply to loss of, damage to, or delay in delivery of money, jewelry, silverware, negotiable papers, securities, business documents, samples, paintings, antiques, artifacts, manuscripts, irreplaceable books or publications, or other similar valuables.

c. Each carrier shall make available insurance coverage of not less than \$2,500 per passenger, at reasonable rates, for declarations of valuation in excess of \$500.

2. Each carrier subject to ordering paragraph 1 shall give notice of its baggage liability limitation by utilizing one or more of the following methods: (1) printing the limitation on both sides of the baggage claim check; (2) printing the limitation on the ticket envelope; (3) printing the limitation on a notice to be inserted in the ticket envelope; (4) printing the limitation on the ticket. In addition, each carrier shall post signs at each of its counter stations setting forth its baggage liability limitation. All notices and signs shall include the phrase "excess valuation insurance is available", or a similar phrase.

3. Tariff publications, and the giving of notices and posting of signs, required to be made by common carriers as a result of the order herein shall be made effective not later than 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 27th day of FEBRUARY, 1968.

John E. D. [Signature]
President
William C. [Signature]
[Signature]
William [Signature]
John P. [Signature]
Commissioners