

Decision No. 25064**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Western Motor Tariff
 Bureau, Inc. under the Shortened Pro-
 cedure Tariff Docket to publish for
 and on behalf of certain of its
 participating carriers tariff pro-
 visions resulting in increases
 because of the publication of a new
 rule providing for the application
 of special charges in connection
 with the amendment or cancellation
 of a C.O.D. amount specified at the
 time of shipment.

(SPT) Application No. 49262
 (Filed April 6, 1967)

Richard W. Smith and W. J. Knoell, for Western
 Motor Tariff Bureau, applicant.
Joseph C. Matson, for the Commission staff.

O P I N I O N

Western Motor Tariff Bureau is the tariff publishing agency for a large number of highway common carriers. By this application, it seeks authority to publish a rule in eight tariffs providing an extra charge of five dollars when on a C.O.D. shipment in transit, the shipper requests a change in the C.O.D. amount.

Public hearing was held October 2, 1967, at San Francisco, before Examiner Turpen. Applicant's manager and officials of three highway common carriers testified in support of the application. No one appeared in opposition to the granting of the application.

The record shows that on only a small percentage of C.O.D. shipments is a request made to cancel or change the amount to be collected. However, when this does happen, the carrier is put to an appreciable extra expense in attempting to follow the shipper's instructions.

The witnesses explained that when such a request is received, it is necessary to determine where the shipment is, and if on a truck for delivery, the carrier must attempt to contact the driver prior to delivery, which many times entails several phone calls in an attempt to intercept the driver. It is often necessary then, according to the witnesses, to return the shipment to the terminal until the billing is corrected. Such changes involve much clerical work in changing shipping documents and billing. Many carriers, according to the witnesses, will not redeliver the shipment until written confirmation of the change is received.

The witnesses did not present a cost study of the change in C.O.D. collection instructions, as they said that conditions vary so widely that it would be impossible to set a definite cost figure, but they all agreed that the actual cost of such changes in C.O.D. collection charges far exceeded the sought five dollar charge.

Several of the carrier witnesses testified that the sought charge was not so much to recover costs, but rather to discourage the practice of some shippers of making a change in the C.O.D. collection charges.

It appears that this tariff rule change is primarily not to produce additional revenue, but rather to discourage a high-cost practice engaged in by some shippers.

The Commission finds that the carriers involved herein are put to an extraordinary expense in changing C.O.D. payment requests by shippers and that such requests should be reimbursed by an additional charge. We further find that a charge of five dollars, as proposed by applicant, is reasonable, and that the

resulting increase in rates and charges is justified. We conclude that the application should be granted.

O R D E R

IT IS ORDERED that:

1. Western Motor Tariff Bureau, Inc., Agent, is hereby authorized to publish on behalf of carriers participating in its tariffs named in Application No. 49262, the tariff rule and charge specifically named in that application.

2. Tariff publications authorized to be made as a result of the order herein shall be filed not earlier than the effective date of this order and may be made effective not earlier than thirty days after the effective date of this order, on not less than thirty 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.

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

Dated at San Francisco, California, this 10th day of DECEMBER, 1968.

William Seymour Jr.
President

Richard P. Morrissey
Commissioners

Commissioner William M. Bennett, being necessarily absent, did not participate in the disposition of this proceeding.