

ORIGINAL

Decision No. 78628

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Investigation)
of National Motor Freight Traffic)
Association, Inc., Agent, for and)
on behalf of certain highway common)
carriers and express corporations,)
for authority to make various re-)
visions in National Motor Freight)
Classification A-11.)

Application No. 52014
(Petition for Modification of
Decision No. 77561)
(Filed October 16, 1970)

In the Matter of the Investigation)
into the rates, rules, regulations,)
charges, allowances and practices)
of all common carriers, highway)
carriers and city carriers relat-)
ing to the transportation of any)
and all commodities between and)
within all points and places in)
the State of California (including,)
but not limited to, transporta-)
tion for which rates are provided)
in Minimum Rate Tariff No. 2.))

Case No. 5432
(Petition for Modification
No. 591)
(Petitions for Modification of
Decision No. 77561)
(Filed October 16, 1970)

And Related Matters)

Cases Nos. 5435, 5439, 5441,
5603, 7783, 7857 and 7858
(Petitions for Modification
Nos. 153, 121, 198, 88, 30,
34 and 76, respectively)
(Petition for Modification of
Decision No. 77561)
(Filed October 16, 1970)

SUPPLEMENTAL OPINION AND ORDER

By Decision No. 77561 in the above proceedings, the Commission granted revisions in the class ratings and other provisions in Supplement 7 of National Motor Freight Classification A-11 but did not authorize common carriers named in Application No. 52014 to observe the charge of \$5.00 per shipment in said supplement of the classification for changing the status of a C.O.D. shipment by

increasing, reducing or cancelling the amount of the C.O.D. By the above Petition for Modification of Decision No. 77561, California Trucking Association and National Motor Freight Traffic Association, Inc. Agent (petitioners), request that Decision No. 77561 be amended to authorize common carriers to apply the aforementioned C.O.D. charge and to vacate the provisions requiring hearing in the matter.

Petitioners state that the proposed C.O.D. charge would have negligible impact upon shippers and carriers and that such charge has been maintained by many common carriers under prior authorization from the Commission.¹ Petitioners allege that shippers usually make oral requests for changes in the C.O.D. amounts and often fail to inform other departments or affected personnel in their own company thereby delaying payment or causing rejections of freight bills and creating considerable communication between shippers and carriers. Petitioners declare that these requests are frequently, if not usually, received after the shipments have been dispatched for delivery, and require driver contacts (not always possible) and modification of en route documents. Petitioners aver that the basic internal documents (bills of lading, manifests and numerous freight bill copies, many of which have been departmentally distributed) must be amended and the carriers must often follow-up with the shippers to receive some form of confirming written requests. Petitioners contend that delayed deliveries or refused shipments routinely develop in circumstances where attempts to deliver freight are made prior to notification of change in the status of many C.O.D. shipments.

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See Decision No. 75064 in Application No. 49262.

Petitioners assert that the carriers in question experience appreciable additional expense in performing the aforementioned C.O.D. services. Petitioners aver that their proposal is not designed principally for the purpose of producing additional revenue but rather to discourage a high-cost practice engaged in by some shippers.

The petitions were listed on the Commission's Daily Calendar of October 19, 1970. No objection to the granting of the petitions has been received.

Commission staff analysis discloses that additional costs are incurred by the involved carriers in instances where requests are made for changes in C.O.D. amounts to be collected. No specific charge is provided in the carriers' tariff to compensate them for the additional costs involved. The proposed charge is the same as that currently being applied by many other carriers for the same service. The staff recommends that the petitions be granted by ex parte order.

In the circumstances, it appears, and the Commission finds, that increases resulting from publication of the charge as proposed in the petitions are justified. A public hearing is not necessary. The Commission concludes that the petitions should be granted and Decision No. 77561 should be amended accordingly.

IT IS ORDERED that:

1. Decision No. 77561 dated August 4, 1970, in Application No. 52014 and Cases Nos. 5432, 5435, 5439, 5441, 5603, 7783, 7857 and 7858 (Petitions for Modification Nos. 591, 153, 121, 198, 88, 30, 34 and 76, respectively) is hereby amended to authorize common carriers named in Application No. 52014 to observe the provisions of

Section 14 of Item 430-A of Supplement 7 (currently Item 430-B of Supplement 23) of National Motor Freight Classification A-11 or to publish similar provisions in their individual tariffs.

2. Decision No. 77561, dated August 4, 1970, in Application No. 52014 and Cases Nos. 5432, 5435, 5439, 5441, 5603, 7783, 7857 and 7858 (Petitions for Modification Nos. 591, 153, 121, 198, 88, 30, 34 and 76, respectively) is hereby further amended by rescinding Ordering Paragraph 9 thereof.

3. 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 the fifth day after the effective date of this order and may be made effective on not less than five days' notice to the Commission and to the public if filed not later than sixty days after the effective date of this order.

4. In all other respects, Decision No. 77561, as herein amended, shall remain in full force and effect.

5. The authority herein granted shall expire unless exercised within sixty 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 7th day of
May, 1971.

Chairman

Commissioners