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Decision No. 86061

ORIGINAL

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order instituting investigation on the )  
Commission's own motion into the )  
establishment of rules and procedures )  
for the filing of claims for loss or ) Case No. 9877  
damage to property incurred during ) (Filed February 19, 1975)  
handling and transportation by highway )  
carriers in California. )

(Appearances are listed in Appendix A.)

O P I N I O N

This is an investigation instituted on the Commission's own motion to determine lawful, just, and reasonable rules governing the processing of claims for loss or damage to property incurred during handling and transportation by highway carrier and passenger stage corporations.

Public hearings were held before Examiner Tanner on May 22 and November 4, 1975 in San Francisco. The matter was submitted November 24, 1975 upon the filing of concurrent statements.

Rules governing the handling of loss or damage claims are published in the National Motor Freight Classification 100-B (NMFC).<sup>1/</sup> These rules apply only to that portion of California intrastate traffic which is subject to Minimum Rate Tariffs (MRT) 1-B, 2, 6-B, 9-B, 11-A, 14-A, 15, and 19. MRTs 4-B and 3-A contain specific rules

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<sup>1/</sup> The NMFC rules were published in compliance with the order of the Interstate Commerce Commission served February 24, 1972 in Ex Parte No. 263.

governing the handling of claims for loss or damage of property subject to those tariffs. Assuming that revenue is an appropriate indicator of traffic volume, about 37 percent of California intrastate traffic is not subject to loss or damage rules.<sup>2/</sup>

The Transportation Division (staff) offered in evidence a proposed general order (Exhibit 3) which in effect restates the NMFC rules and which would apply to all California intrastate traffic handled by express corporations, freight forwarders, highway carriers, household goods carriers, and passenger stage corporations.

There is general agreement that the staff's purpose in establishing reasonable nondiscriminatory rules applicable to all traffic is proper. There are, however, a number of questions as to the best method of achieving the desired goal. The California Trucking Association (CTA) contends that the rules should not be published in a general order, but should be published in the various minimum rate tariffs. Carriers of passengers participating in this proceeding and United Parcel Service (UPS) suggested that participation in a claims rules tariff published in compliance with the Interstate Commerce Commission's order in Ex Parte No. 263 be considered compliance with any regulation promulgated by this Commission. The Highway Carriers Association (HCA) and CTA question our authority to establish such rules. And last, but hardly least, most parties participating in this proceeding offered suggested changes and took exception to certain provisions of the proposed general order.

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<sup>2/</sup> This estimate is based on "Report 601-5, June 1975 - Distribution of Revenue by Minimum Rate Tariff for 1974" published by the Commission's Transportation Division Data Bank.

### Discussion

According to the staff, a general order was selected as the most effective method of notice to all carriers of the rules for handling loss or damage claims. CTA and the Pacific Coast Tariff Bureau were of the view that tariff publication would result in wider public awareness of these rules. CTA also cites the cost of serving a general order on all carriers as an important factor.

The 1974 Statistical Report For-Hire Carriers of Property in California<sup>3/</sup> indicates that as of December 31, 1974 there were 18,496 carriers operating in California (Table 3.3). Table 4.1 of that report indicates that, of those, 3,704 receive no tariffs at all and that a significant number of carriers who do receive tariffs receive more than one.<sup>4/</sup> These data give significant support to the notion that the incorporation of the loss or damage rules in the minimum rate tariffs would not only prove more costly, but result in considerable duplication of effort. Additionally 3,704 carriers would receive no notice, or would be required to purchase a tariff in order to be made aware of a single rule.

A general order served on all carriers and available for purchase by any other party would not only prove to be less costly, but is a more direct method of providing notice to all parties.

Rule 2.3 of the proposed general order provides:

A claim for loss, damage, injury, or delay of property for which a Uniform Domestic Bill of Lading was not issued, shall be filed within nine (9) months after delivery of the property, or in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed.

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<sup>3/</sup> Report 630-5, May 1975 published by the Transportation Division Data Bank.

<sup>4/</sup> The 14,792 carriers receive 39,124 tariffs. See also Table 4.2.

The Carrier shall advise the shipper on the bill of lading, contract of carriage, or shipping document that claims must be filed in accordance with the rules set forth in this general order within nine (9) months after delivery of the property, or in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed and suits shall be instituted against any carrier within two (2) years and one (1) day from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof.

Where claims are not filed or suits not instituted thereon in accordance with the foregoing provisions, no carrier hereunder shall be liable and such claims will not be paid.

This rule, in effect, is a restatement of Section 2(b) of the contract terms and conditions of the Uniform Straight Bill of Lading as set forth in the NMFC. The proposed rule was included to provide the necessary time limits for filing claims and instituting suits when a bill of lading was not issued.

CTA objects to the term "Uniform Domestic Bill of Lading." A review of the minimum rate tariffs and the NMFC failed to disclose any document so titled or a definition of that term. The CTA's point is valid and the words "Uniform Domestic" should be deleted.

The provision in Rule 2.3 which requires that the carrier advise the shipper of the time limits for the filing of claims and suits imposes a duty which, in many instances, could not be reasonably carried out and therefore will be revised. The rule's purpose is to provide the substitution for the contract provisions of the bill of lading when no such document is issued. This occurs most frequently when special transportation services are provided, often involving

exempt traffic. No study was made to determine the extent of such occurrences; however, the experiences cited by the passenger carriers and UPS are indications of at least two cases where this requirement would not be appropriate. The existence of time limits stated in the general order would constitute adequate constructive notice to carriers, shippers, and other affected parties.

The time limitations for filing claims and suits are specified only in Rule 2.3. Rules 2.1 and 2.2 refer to the time limits provided in the bill of lading, which assumes that a bill of lading with the same time limits named in Rule 2.3 will be issued. Upon reflection, we believe that Rule 2.3 should be titled "Time limitations for filing claims or suits." Rules 2.1 and 2.2 should refer to Rule 2.3 in lieu of the reference to the time limits specified in the bill of lading. Rule 2.1 would then contain adequate provisions for these instances where no bill of lading was issued.

Rule 5 of the proposed general order provides:

5.1 Highway Common Carrier and Passenger Stage Corporation Requirements.

Each passenger stage corporation transporting express and each highway common carrier, express corporation, freight forwarder, petroleum irregular route carrier, and cement carrier shall publish and file, effective concurrently with the effective date of this order, in each of its tariffs, rules and regulations which shall conform to this general order providing for the filing of loss and damage claims. Such rules and regulations shall also be filed concurrently with an initial tariff filing of any passenger stage corporation transporting express or any highway common carrier, express corporation, freight forwarder, petroleum irregular route carrier, or cement carrier.

CTA suggests an alternative for common carriers and that the following be added to Rule 5:

Common carriers participating in the National Motor Freight Classification, revisions thereto or reissues thereof; and governed by rules set forth therein covering the Principles and Practices for the Investigation and Disposition of Freight Claims, as ordered by the Commission, shall be deemed in compliance with the provisions of this general order.

According to CTA, the staff's mandatory common carrier tariff filing requirements would result in the imposition of an unwarranted cost upon individual carriers and could create a conflict of rules where a carrier is operating in both interstate and intrastate commerce.

With appropriate qualification the CTA's proposal has merit. A general order, such as proposed herein, must be general in application. Yet, the CTA proposal recognizes that circumstances will vary and that the manner in which a rule is published may be as important an element for some as the character of operations may be to others. We cannot, however, accept the blanket exception CTA suggests. The CTA rule should be adopted subject to the condition that any difference between the rules adopted by a common carrier and those in the general order be clearly identified and described in the tariff in which the NMFC or claims rules tariff is referenced. Furthermore, we do not think it appropriate to permit uncontrolled adoption of such rules. Tariff publishing carriers who wish to publish loss or damage rules by reference to an appropriate tariff publication may seek such authority pursuant to the procedures outlined for the handling of tariff changes under the Special Tariff Docket as set forth in General Order No. 109. This method would permit reasonable review by our staff and notice to affected parties,

yet avoid the delay inherent in a formal application while assuring, at the same time, that those cases which require formal hearing would receive it. Rule 7, Conflicting Provisions, should be amended consistent with the provision of Rule 5.

Exhibit 5 is a copy of the National Claims Rules Tariff No. A-675-A (NCRT) issued by The National Bus Traffic Association, Inc. This tariff was issued in compliance with the Interstate Commerce Commission's order in Ex Parte No. 263 and governs the handling of loss or damage claims by passenger stage corporations operating in interstate commerce. The passenger carriers participating in this investigation urged that participation in this tariff be considered in compliance with the rules for handling such claims that may be established by this Commission.

The provisions of NCRT comply fully with the spirit of the rules proposed here, differing only to the extent necessary to reflect the unique character of the package express handled by passenger carriers. The request is reasonable and should be granted. ✓

UPS urged that the Claims Rules Tariff issued by J. Robert Peterson, MC-ICC No. 2, be accepted as compliance with the claims rules established by this Commission for traffic handled by UPS.

Like the passenger carriers the UPS claims tariff reflects the unique character of that carrier's services and also is now applicable on interstate traffic. UPS should be authorized to file its Claims Rules Tariff, MC-ICC No. 2, in compliance with the order herein. ✓

The question regarding our authority to establish rules governing the handling of loss and damage claims lacks a reasonable basis. If it is necessary to establish a specific statutory provision authorizing loss or damage rules before we may act, then any number of the rules in the minimum rate tariffs and elsewhere were improperly established. The absence of specific statutory rulemaking power to

issue a general order of the type here under consideration does not leave us powerless to issue such an order. The Commission is obligated to regulate the rates of carriers. Rules such as those under consideration here are germane to that function. The position that regulation ancillary to minimum rates should be no broader than the minimum rate tariffs, and should be published in the minimum rate tariffs to accomplish that appropriate limitation, as expressed by CTA, ignores the fact that each minimum rate tariff is part of a minimum rate order, which is broader than the tariff.

Findings

1. The Commission has the jurisdiction and the authority to establish rules providing for the processing of loss or damage claims.
2. General Order No. 139, set forth in Appendix B, provides reasonable rules for processing loss or damage claims of freight filed by express corporations, freight forwarders, highway carriers, and passenger stage corporations.
3. The most effective and economical method of publishing and disseminating rules for handling loss or damage claims is by a general order served on all carriers subject thereto and available for purchase by the general public.
4. Common carriers should be permitted to file tariffs naming rules for handling loss or damage claims which deviate from General Order No. 139. Authority for such tariff filings should be sought pursuant to the procedure set forth in General Order No. 109 (Special Tariff Docket) or the Commission's Rules of Practice and Procedure (Chapter 1, Title 20, California Administrative Code).
5. Passenger stage corporations should be permitted to participate, through appropriate tariff filing, in the NCRT No. A-675-A issued by the National Bus Traffic Association, Inc. Authority for such tariff filings should be sought pursuant to General Order No. 109 or the Commission's Rules of Practice and Procedure.



6. American Buslines, Inc., Continental Pacific Lines, Continental Trailways, Inc., and Greyhound Lines, Inc. should be authorized to file and participate in the National Claims Rules Tariff No. A-675-A issued by the National Bus Traffic Association, Inc.

7. UPS should be authorized to file and participate in Claims Rules Tariff, MC-ICC No. 2, issued by J. Robert Peterson.

8. Tariff filings made by the carriers named in Findings 6 and 7 should comply with Rule 5.2 of General Order No. 139, Appendix B, and should cite this order as authority for such filing.

9. Each of the minimum rate tariffs, except MRTs 3-A and 4-B, should be amended to show that loss or damage claims must be filed and processed according to the provisions of General Order No. 139. For convenience, such tariff amendments should be made by separate orders.

It is concluded that General Order No. 139 be adopted to the extent indicated in the foregoing findings and as provided in the following order.

O R D E R

IT IS ORDERED that:

1. General Order No. 139 (Appendix B attached hereto) is hereby adopted.

2. General Order No. 139 shall become effective September 1, 1976.

3. Tariff filings required by General Order No. 139 shall be made effective no earlier than the effective date of this order but not later than September 1, 1976, on not less than five days' notice to the Commission and to the public.

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

Dated at San Francisco, California,  
this 7th day of JULY, 1976.

William J. Synovick President  
Vernon L. Sturgeon  
Leonard Ross  
Robert Bateman Commissioners

APPENDIX A

LIST OF APPEARANCES

Respondents: Russell & Schureman, by R. Y. Schureman and Carl H. Fritze, Attorneys at Law, for American Buslines, Inc., Continental Pacific Lines, and Continental Trailways, Inc.; Walter Ruzyski, Jr., for California Motor Express; Leon Perez and C. E. Goacher, for Di Salvo Trucking; Leonard Pellman, for Mission Van & Storage; Richard D. Stokes, for Haslett Company; Lee Pfister and Armand Williams, for Willig Freight Lines; J. McSweeney and Bert Eames, for Delta Lines; Armand Karp, for Rogers Motor Express; Robert V. Vonasek, for Guthmiller Trucking; Roger L. Ramsey, Attorney at Law, for United Parcel Service; Don D'Onofrio, for Donofrio Drayage, Inc.; and Richard M. Hannon, Attorney at Law, for Greyhound Lines, Inc.

Interested Parties: Meyer L. Kapler, for American Forest Products; R. W. Smith, Attorney at Law, Ronald C. Broberg, and Herbert W. Hughes, for California Trucking Association; Thomas J. Hays, for California Moving & Storage Association; Jess J. Butcher, for California Manufacturers Association; Don B. Shields, for Highway Carriers Association; R. C. Fels, for California Furniture Manufacturers Association; Robert L. Stevens and Tad Muraoka, for IBM Corporation; J. M. Cunningham, for Bethlehem Steel Corp.; John T. Reed, for Pacific Coast Tariff Bureau; Robert A. Kormel, for Pacific Gas and Electric Company; Howard C. Bailor, for Del Monte Corporation; and David R. Wallace, for Department of General Services.

Commission Staff: Freda Abbott, Attorney at Law, and William Campana.

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GENERAL ORDER NO. 139

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

REGULATIONS GOVERNING THE HANDLING OF CLAIMS FOR LOSS OR DAMAGE OF PROPERTY FILED WITH EXPRESS CORPORATIONS, FREIGHT FORWARDERS, HIGHWAY CARRIERS, HOUSEHOLD GOODS CARRIERS, AND PASSENGER STAGE CORPORATIONS.

Adopted JUL 7-1976. Effective September 1, 1976.

(Decision No. 86061. Case No. 9877.)

RULE 1 - PURPOSE OF THE REGULATIONS

- 1.1 To obtain uniformity on the part of all carriers and uniform treatment of all claimants in the disposition of claims of like nature.
- 1.2 To secure and preserve harmonious relationships in claim matters between carriers and their patrons.
- 1.3 To effect and maintain a prompt and efficient service to the public in connection with the investigation and disposition of freight claims.

RULE 2 - FILING OF CLAIMS

2.1 Claims in writing required.

A claim for loss, damage, injury, or delay to property will not be voluntarily paid by a carrier unless filed in writing, as provided in Rule 2.2 and 2.3, below, with the receiving or delivering carrier, or carrier issuing the bill of lading, receipt, ticket, or carrier on whose line the alleged loss, damage, injury, or delay occurred, within the specified time limits provided in Rule 2.3.

2.2 Minimum filing requirements.

A communication in writing from a claimant, filed with a proper carrier within the time limits specified in Rule 2.3, and (1) containing facts sufficient to identify the shipment (or shipments) of property involved, (2) asserting liability for alleged loss, damage, injury, or delay, and (3) making claim for the payment of a specified or determinable amount of money, will be considered as sufficient compliance with the provisions for filing claims embraced in the bill of lading or other contract of carriage.

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2.3 Time limitations for filing claims or suits.

A claim for loss, damage, injury, or delay of property shall be filed within nine (9) months after delivery of the property, or in case of failure to make delivery, then within nine (9) months after a reasonable time for delivery has elapsed. Suits shall be instituted against any carrier within two (2) years and one (1) day from the day when notice in writing is given by the carrier to the claimant that the carrier has disallowed the claim or any part or parts thereof specified in the notice.

2.4 Documents which do not comply.

Bad order reports, appraisal report of damage, notations of exceptions on freight bills or other documents, inspection reports issued by carrier inspectors or inspection agencies, tracers or inspection requests do not comply with the claim filing requirements.

2.5 Documents required in support of claims.

- a. A written demand for payment, asserting carrier liability for alleged loss, damage, injury, or delay, and containing facts sufficient to identify the shipment or shipments involved will constitute a claim, regardless of form, and will be required.
- b. When claimant does not appear from the supporting documents to be an interested party, carrier will require any necessary written assignment or other proof to determine the claimant is the proper party to receive any claim payment.

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- c. The original freight bill and bill of lading or other contract of carriage will be required. When claimant cannot furnish both of these documents, carrier will require suitable indemnity from the claimant.
- d. Claim must be supported by either the original invoice; a photographic copy of the original invoice; an exact copy thereof, or an extract therefrom, certified by the claimant or his authorized representative to be true and correct with respect to the property involved in the claim and reflecting all trade or other discounts, allowances, or deductions of any nature. When the original invoice is not submitted, such document must be made available for inspection by carrier representative upon request.
- e. When the property involved in the claim has not been invoiced to the consignee or where invoice does not show price or value, or where the property has not been sold but transferred at bookkeeping values only, or where property has been shipped on consignment or approval, claimant will be required to establish destination value in the quantity shipped and certify the correctness thereof.
- f. In order to establish the full recoverable loss caused by the carriers, there will be required the original account of sale, showing the date of sale and the amounts realized on the damaged and undamaged portions, respectively, showing grade, brands, quality, variety, size, and condition, together with any deductions, allowances, and commissions, or a copy thereof certified correct over the signature of the claimant or an authorized representative thereof.
- g. When shipment has received prior transportation and is reshipped from a distribution or warehousing point but has been opened and examined and contents verified as being in undamaged condition, certification thereof must be made by person having actual knowledge of such inspection and statement to that effect incorporated in such certification.

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- h. When an asserted claim for loss of an entire package or an entire shipment cannot be otherwise authenticated upon investigation, the carrier will obtain from the consignee of the shipment involved a certified statement in writing that the property for which the claim is filed has not been received from any other source.

2.6 Claims filed for uncertain amounts.

Whenever a claim is presented against a proper carrier for an uncertain amount, such as "\$100 more or less", the carrier against whom such claim is filed will determine the condition of the shipment involved at the time of delivery by it, if it was delivered, and will ascertain as nearly as possible the extent, if any, of the loss or damage for which it may be responsible. It will not, however, voluntarily pay a claim under such circumstances unless and until a formal claim in writing for a specified or determinable amount of money has been filed in accordance with the provisions of Rules 2.1, 2.2, and 2.3

2.7 Acknowledgment and disposition of claims.

- a. Carrier will acknowledge claim in writing within thirty (30) days after receipt thereof, informing the claimant of identifying number assigned thereto, and will pay, refuse payment, or make a firm compromise offer within one hundred twenty (120) days after receipt of claim, except, that if claim cannot be disposed of within this period, carrier will at that time and at the end of each succeeding sixty (60) day period thereafter while claim remains pending, inform the claimant in writing of the reason for failure to conclude claim.
- b. A separately numbered file will be established for each claim filed in accord with the provisions of this General Order. All documents, records, and correspondence pertaining to such claim will be identified with this file number.

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2.8 Two or more claims filed

When investigation of a claim develops that one or more other carriers has been presented with a similar claim on the same shipment, the carrier investigating such claim will communicate with each such other carrier and, prior to any agreement entered into between or among them as to the proper disposition of such claim or claims, will notify all claimants of the receipt of conflicting or overlapping claims and will require further substantiation, on the part of each claimant of his title to the property involved or his right with respect to such claim.

RULE 3 - INSPECTION OF FREIGHT BEFORE OR AFTER DELIVERY TO CONSIGNEE  
AND ADJUSTMENT OF CLAIMS FOR LOSS OR DAMAGE

3.1 Application.

Loss of or damage to contents of package, not definitely known to exist at time of delivery by carrier to consignee may be due to negligence in packing, handling, or unpacking, or abstraction from containers, and is the subject of frequent claims and controversies. In order to avoid any discrimination, and so that practices will be certain and uniform in the treatment of claims of this character, the following rules apply.

3.2 Pilferage.

When a shipment is offered for delivery, if any portion of shipment bears any indication of having been pilfered, a joint inventory of contents must be made by carrier and consignee and the results of inventory so noted on carrier's delivery receipt.



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## 3.3 Reporting concealed damage.

When damage to contents of a shipping container is discovered by the consignee which could not have been determined at time of delivery it must be reported by the consignee to the delivering carrier upon discovery and a request for inspection by the carrier's representative made. Notice of loss or damage and request for inspection may be given by telephone or in person, but in either event must be confirmed in writing by mail. If more than fifteen days pass between date of delivery of shipment by carrier and date of report of loss or damage, and request for inspection by consignee, it is incumbent upon the consignee to offer reasonable evidence to the carrier's representative when inspection is made that loss or damage was not incurred by the consignee after delivery of shipment by carrier. While awaiting inspection by carrier, the consignee must hold the shipping container and its contents in the same condition they were in when damage was discovered insofar as it is possible to do so.

## 3.4 Inspection by carrier.

Inspection by carrier will be made as promptly as possible and practicable after receipt of request by consignee. Inspection will be made within five normal work days after receipt of request from consignee, excluding Saturdays, Sundays, and holidays. A day will be considered as the passing of twenty-four (24) hours from 9 a.m., local time from the date of receipt of request for inspection. Inspection of carrier will include examination of the damaged merchandise, the shipping container, and any other action necessary to establish all facts. If a shortage is involved, inspector will check contents of package with invoice, weigh the shipping container and contents, or conduct any other type of investigation necessary to establish that a loss has occurred. In either case inspection

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will be limited to a factual report. Consignee must cooperate with carrier in every way possible to assist in the inspection. A written record of carrier's findings will be made at least in duplicate. The original of the report will be given the consignee for claim support. Any inspection report issued must be incorporated in claim file.

3.5 Failure to inspect.

In the event carrier does not make an inspection the consignee must make the inspection and record all information to the best of his ability pertinent to the cause. Consignee's inspection, in such case, will be considered as the carrier's inspection and will not jeopardize any recovery the consignee is due based on the facts contained in the report.

3.6 Prior transportation.

If a concealed damage inspection report covers merchandise which has had prior transportation movement, consignee is required to assist carrier in determining if shipment was opened and inspected by shipper prior to reshipment, and, if not, shall then assist carrier in every way possible to establish record of prior transportation.

RULE 4 - SALVAGE RETENTION - DISPOSITION OF DAMAGED MERCHANDISE

- 4.1 When visible or open damage to a shipment has been established by notation having been given at time of delivery or concealed damage established by inspection report, it is the duty of the consignee to retain damaged merchandise and shipping container until carrier desires to take possession of merchandise as salvage. If record conclusively reflects carrier liability, carrier will take possession of the damaged merchandise as soon as possible and, in any event, within thirty (30) days from date shipment was noted damaged on carrier delivery receipt or from date of

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inspection report, if damaged was concealed. If carrier does not take possession of the damaged merchandise within the time prescribed above, consignee must contact delivering carrier and request removal of goods from his premises within fifteen (15) days from the date of such communication.

4.2 Rule 4.1 above applies only when the carrier and consignee agree that the carrier will handle disposition of the salvage, and does not in any manner affect the legal duty that the consignee, when there is substantial value in the salvage, must accept and handle it in such manner as to mitigate the carrier's loss as much as possible. If there is doubt of carrier liability, the carrier will so advise consignee; in which event the consignee may hold the merchandise until liability of carrier is determined, or may dispose of it so as to mitigate the damage, and may file claim for such damage.

4.3 Carrier will remove the damaged goods within the fifteen (15) day period or advise consignee that carrier liability is in doubt and that damaged merchandise is to be retained by the consignee until carrier has completed investigation of claim.

## RULE 5 - TARIFF FILING REQUIRED BY COMMON CARRIERS

5.1 Each passenger stage corporation transporting express and each highway common carrier, express corporation, freight forwarder, petroleum irregular route carrier, and cement carrier shall publish and file, effective concurrently with the effective date of this order, in each of its tariffs, rules and regulations which shall conform to this General Order providing for the filing of loss and damage claims. Such rules and regulations shall also be filed concurrently with an initial tariff filing of any passenger stage corporation transporting express or any highway common carrier, express corporation, freight forwarder, petroleum irregular route carrier, or cement carrier.

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- 5.2 Common carriers participating in the National Motor Freight Classification, revisions thereto or reissues thereof or Claims Rules Tariff; and governed by rules set forth therein covering the Principles and Practices for the Investigation and Disposition of Freight Claims, as ordered by the Interstate Commerce Commission, shall be deemed in compliance with the provisions of this General Order, provided, however, that any provision therein which does not conform to this General Order shall be clearly delineated in the tariff provision(s) making reference to such Classification or Claims Rules Tariff.
- 5.3 Authority for tariff filing described in Rule 5.2 shall be sought pursuant to General Order No. 109 (Special Tariff Docket) or under the Commission's Rules of Practice and Procedure (Chapter 1, Title 20, California Administrative Code).

RULE 6 - PENALTY PROVISIONS

6.1 Violations.

Carriers are hereby notified that violations of any portion of the requirements of this General Order shall constitute grounds for suspension or revocation of operating authority and may subject the carrier to fines and penalties as provided in the Public Utilities Code.

RULE 7 - CONFLICTING PROVISIONS

- 7.1 If the provisions of this General Order conflict with the provisions of any minimum rate tariff issued by this Commission, the provision of the minimum rate tariff shall apply.
- 7.2 Except as provided by Rules 5.2 and 5.3, existing common carrier tariff provisions which conflict with this General Order and are not published pursuant to a minimum rate order shall be amended to conform to this General Order.

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- 7.3 A common carrier must obtain Commission authorization as provided in Rule 5.3, before including in its tariff any provisions in conflict with this General Order. Publication of such provisions shall include reference to the authorizing decision number or other Commission authorization.