

Decision No. 86329**ORIGINAL**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Investigation into the rules)
 and regulations for the handling)
 of C.O.D. shipments and collection,)
 accounting and remittance of)
 C.O.D. moneys by Express)
 Corporations, Freight Forwarders,)
 Highway Common Carriers, Petroleum)
 Irregular Route Carriers,)
 Passenger Stage Corporations,)
 Cement Carriers, Highway Contract)
 Carriers, Household Goods Carriers,)
 Petroleum Contract Carriers,)
 Radial Highway Common Carriers,)
 Cement Contract Carriers, Dump)
 Truck Carriers and Livestock)
 Carriers.)

Case No. 7402
 Order Setting Hearing
 No. 1
 (Filed January 13, 1976)

ORDER AMENDING ORDER SETTING HEARING

This order setting hearing was issued January 13, 1976 and directed that hearing be held for the purpose of determining whether and to what extent the amount of Collect on Delivery (COD) bond should be increased.

Public hearing was held March 16, 1976 in San Francisco before Examiner Tanner. The Commission's Transportation Division presented a report consisting of a survey of carriers, shippers, and surety companies and which recommended that no change be made in the amount of the COD bond. The report was received as Exhibit 1.

The California Trucking Association (CTA) complained that the scope of this proceeding was too narrow and that a large number of problems exist which warrant the Commission's attention. The staff witness agreed that problems other than the dollar amount of

the bond may be found. He indicated that while the bond "...is not much protection to a shipping company..." (Tr. 10), he was not sure however that elimination of the bond would be proper.

Because of the general acknowledgement that problem areas do exist in the handling and regulation of COD matters, and the wide differences of opinion as to the magnitude and significance of such problems, the matter was adjourned to a date to be set. The parties of record were requested to submit statements recommending revisions or broadening of the order setting hearing.

Statements have been received from California Manufacturers Association (CMA),^{1/} Highway Carriers Association (HCA), CTA, and the Commission's staff. The recommendations range from a study covering every aspect of COD shipments to making no change at all.

The record in this matter indicates that, while all kinds of problems may exist, only the problem of protection against default in remitting COD funds collected can be reasonably examined. The order setting hearing will be amended to include the sufficiency of the bond amount and alternatives to the bond to protect shippers from misuse of COD monies.


Therefore, IT IS ORDERED that hearing be held for the purpose of determining whether and to what extent the amount of collect on delivery bond should be increased or decreased or whether an appropriate alternative to protect the public from misuse of COD monies may be found. Public hearing in this matter shall be held before Examiner Tanner, at 10:00 a.m., on November 17-18, 1976, in the Commission Courtroom, 350 McAllister Street, San Francisco, California.

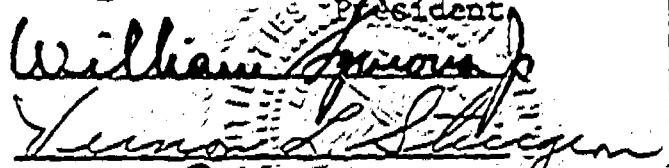
^{1/} CMA did not participate in the hearing. Upon learning of the possibility that the scope of this matter might be broadened, permission was requested, and granted, to file its statement.

The Executive Director is directed to cause copies of this order to be served by mail upon all express corporations, freight forwarders, highway common carriers, petroleum irregular route carriers, passenger stage corporations, cement carriers, highway contract carriers, household goods carriers, petroleum contract carriers, radial highway common carriers, cement contract carriers, dump truck carriers and livestock carriers, subject to the jurisdiction of this Commission.

The effective date of this order is the date hereof.

Dated at San Francisco, California, this 31st
day of AUGUST, 1976.



President


Vernon L. Steegen


Robert Bateman
Commissioners