

Decision 89 11 049 NOV 2 2 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
Western Motor Tariff Bureau, Inc.,)
for and on behalf of Keep On)
Trucking Company, Inc. to depart)
from Rule 6 (Collection Charges),)
General Order 155 of the California)
Public Utilities Commission pursuant)
to Rule 3 thereof, and for authority)
to depart from the provisions of)
Section 491 of the California Public)
Utilities Code.)

ORIGINAL

Application 89-07-048
(Filed July 28, 1989)

In the Matter of the Application of)
Western Motor Tariff Bureau, Inc.,)
for and on behalf of Keystone Lines,)
to depart from Rule 6 (Collection)
Charges), General Order 155 of the)
California Public Utilities)
Commission pursuant to Rule 3 there-)
of, and for authority to depart from)
the provisions of Section 491 of the)
California Public Utilities Code.)

Application 89-07-049
(Filed July 28, 1989)

O P I N I O N

Western Motor Tariff Bureau, Inc. (applicant) on behalf of Keep On Trucking Company, Inc. and Keystone Lines seeks authority to publish a modified credit rule as a deviation from General Order 155, Rule 6.

Paragraph B, Subparagraph 1 of that General Order provides, in part:

"Freight bills for all transportation and accessorial charges shall be presented to the debtor within seven calendar days from the first 12 o'clock midnight following delivery of the freight."

Subparagraph 2 of the same rule states:

"Carriers may extend credit to the debtor for a period of seven days, excluding Sundays and legal holidays. The credit period will begin from the first 12 o'clock midnight following presentation of the freight bill."

Applicant proposes that each carrier be authorized to extend the credit period from seven to fifteen days.

It alleges that:

"Central payment systems using computers are common today. For reasons of economy, businesses today use cyclical batch processing rather than continuous payment of individual bills. Batch processing makes it extremely difficult for shippers to comply with short credit periods in accordance with existing rules. Mail service is used extensively, in the presentation and payment of freight bills, often to points remote from the vicinity of transportation service. It is frequently slow. As a result, late payments are common. Longer payment period is necessary to meet the business needs of shippers."

Notice of the proposal appeared in the Daily Transportation Calendar on August 3, 1989. No protests have been received. On August 22 Transportation Division staff issued an advice of participation, indicating that the application could be granted ex parte.

Findings of Fact

1. Lengthening the credit period will have no effect on the reasonableness of the carriers' rates.
2. Additional competition in the form of credit rule flexibility is in the public interest.
3. A longer credit period conforms to shipper needs.

Conclusions of Law

1. No hearing is necessary.
2. The applications should be granted.

ORDER

IT IS ORDERED that:

1. Keep On Trucking Company, Inc. and Keystone Lines are authorized to deviate from General Order 155, Rule 6, by extending credit for 15 days.

2. Applicant is authorized to publish on 1 day's notice to the Commission and to the public an appropriate tariff item on behalf of Keep On Trucking Company, Inc. and Keystone Lines.

This order becomes effective 30 days from today.

Dated NOV 22 1989, at San Francisco, California.

G. MITCHELL WILK
President
FREDERICK R. DUDA
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

- 3 -

Wesley Franklin
WESLEY FRANKLIN, Acting Executive Director
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