

GENERAL ORDER 84-H
(Cancels General Order 84-G)

Public Utilities Commission
of the State of California

RULES GOVERNING COLLECT-ON-DELIVERY SHIPMENTS AND THE
MONEYS COLLECTED BY EXPRESS CORPORATIONS, FREIGHT FORWARD-
ERS, HIGHWAY CARRIERS, PASSENGER STAGE CORPORATIONS, AND
HOUSEHOLD GOODS CARRIERS.

Adopted January 5, 1982. Effective February 4, 1982.
(Decision No. 82-01-40, Case No. 7402 & 10278)

1. A collect-on-delivery shipment (C.O.D. shipment) means a shipment upon which the consignor has attached, as a condition of delivery, the collection of a specific sum or sums of moneys by the carrier making delivery and the return of those moneys to the consignor or other payee named by the consignor.
2. No express corporation, freight forwarder, highway carrier, passenger stage corporation, or household goods carrier, as defined in the Public Utilities Code, shall handle C.O.D. shipments unless it has on file with the Commission a bond of not less than \$2,000. The principal amount of the bond of any particular carrier may be increased from time to time where the Commission finds it is in the public interest.
3. The bond required by Paragraph 2:
 - a. Shall be filed by the carrier as principal and by a qualified surety insurer, authorized to do business in the State of California, as surety;
 - b. Shall be payable to any person or persons to whom any amount may be due on any C.O.D. shipment transported by the carrier, and not remitted to the person or persons to whom it is due within 10 days after delivery of any C.O.D. shipment;
 - c. Shall specify the extent to which the carrier's operations are covered;
 - d. May cover more than one operative authority held by the same carrier;
 - e. Shall be revised or reissued, when a carrier obtains additional operative authority, to show whether or not the additional operative authority is covered; and
 - f. Shall state that the name of the carrier's surety company will be made public by the Commission upon reasonable request.
4. The bond shall include these provisions:
 - a. That any person or persons to whom an amount may be due on any C.O.D. shipment transported by a carrier and not remitted within 10 days after delivery of that shipment may file a claim with the surety;
 - b. That upon the filing of the claim, the surety shall notify the Commission and the carrier in writing of the filing;
 - c. That the notice to the Commission shall be addressed to the Public Utilities Commission of the State of California at its office in San Francisco;

- d. That suit against the surety shall be started within one year after the date the shipment was tendered to the carrier; and
 - e. That the surety waives any rights it may have under Section 2845 of the Civil Code.
5. The bond may be canceled by the surety by written notice to the Commission. The cancellation shall become effective 30 days after the Commission receives the notice.
6. Claims arising from failure to remit C.O.D. moneys may be filed by any person or persons to whom an account may be due directly against the surety company and any suits against the surety must be started within one year from the date the shipment was tendered.
7. The name and address of the surety company may be obtained from the Public Utilities Commission, State Building, San Francisco, California 94102.
8. The bond shall not be required:
- a. Of carriers while engaged as independent-contractor subhaulers;
 - b. Of carriers while transporting property under rates in Minimum Rate Tariffs 7, 17, or 20; or
 - c. Of highway carriers operating within lawfully established pick-up and delivery limits as agents of a common carrier in the performance for the common carrier of transfer, pickup, or delivery services provided for in the lawfully published tariffs of the common carrier.
9. Every express corporation, freight forwarder, highway carrier, passenger stage corporation, and household goods carrier, handling C.O.D. shipments shall:
- a. Establish and maintain a separate bank account or accounts wherein all moneys (other than checks or drafts payable to consignor or payee designated by consignor) collected on C.O.D. shipments will be held in trust until remitted to payee, except C.O.D. moneys which are remitted within 5 days after delivery.
 - b. Establish and maintain records of all C.O.D. shipments that will show the following information about each shipment:
 - (1) Number and date of freight bill.
 - (2) Name and address of consignor or other person designated as payee.
 - (3) Name and address of consignee.
 - (4) Date shipment delivered.
 - (5) Amount of C.O.D. moneys collected.
 - (6) Date C.O.D. moneys remitted.
 - (7) Check number or other identification of remittance to payee.
 - c. Collect the full amount of the C.O.D. moneys at the time C.O.D. shipments are delivered to the consignee and remit all such collections to consignor, or to other persons designated by

- the consignor on such shipments, promptly and in no event later than 10 days after delivery to the consignee, unless consignor instructs otherwise in writing. All remittances for C.O.D. shipments shall refer to or otherwise identify the C.O.D. shipment or shipments covered by the remittance.
- d. Not accept checks or drafts (other than certified checks, cashier's checks, or money orders) in payment of C.O.D. charges unless authority has been received from the consignor.
 - e. Except in situations covered by subparagraph f, notify the consignor immediately if a C.O.D. shipment is refused or cannot be delivered on the carrier's initial attempt. Upon instructions from the consignor the carrier may attempt subsequent deliveries. The charge for each such delivery shall be determined by the applicable freight charges from carrier's terminal to the point of destination but shall not be less than the rate for mileages of less than three miles. The carrier may also return the shipment to the consignor upon his request, subject to a charge equal to the applicable freight charges on the original outbound movement.
 - f. While transporting property under rates in Minimum Rate Tariffs 7, 17, or 20, notify the consignor immediately if a C.O.D. shipment is refused or cannot be delivered because of circumstances beyond the carrier's control. Under the consignor's instructions, the shipment shall either be returned to the consignor subject to double the outbound freight charges for the round-trip movement or delivered to another consignee subject to the applicable distance rate, in addition to the original rate, from the point of nondelivery to the new destination; provided, however, that if hourly rates apply to C.O.D. shipments, such hourly rates shall supersede the rates in this subparagraph.
 - g. Not make a C.O.D. shipment part of a split delivery shipment.
10. No express corporation, freight forwarder, highway common carrier, passenger stage corporation, or cement carrier shall handle C.O.D. shipments unless and until such carrier has published and filed tariffs containing the rates and rules governing that service, which rules shall conform to this general order and shall include provisions that:
- a. Claims arising from failure to remit C.O.D. moneys may be filed directly against the surety company and any suits against the surety must be started within one year from the date the shipment was tendered.
 - b. The name and address of the surety company may be obtained from the Public Utilities Commission, State Building, San Francisco, California 94102.
11. Every express corporation, freight forwarder, highway common carrier, passenger stage corporation, and cement carrier, while acting

as a delivery carrier on C.O.D. shipments moving in interline service, shall, at the time of remittance of the C.O.D. collections to the consignor or payee, notify the originating carrier of such remittance.

12. If a carrier believes exemption or deviation from any of these requirements is necessary, it shall apply to the Commission for an exemption or deviation. The application shall contain a full statement of the facts justifying the exemption or deviation.

13. Each express corporation, freight forwarder, highway common carrier, passenger stage corporation, or cement carrier not electing to transport C.O.D. shipments may withdraw and cancel its rules and rates and establish instead a provision that C.O.D. shipments will not be accepted. Each highway permit carrier or household goods carrier not electing to transport C.O.D. shipments shall be deemed to have given notice of that election by not filing the C.O.D. bond.

Approved and dated at San Francisco, California, this 5th day of January, 1982.

PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

By Joseph E. Bodovitz
Executive Director

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