

ITEM 530 - Collect on Delivery (COD) Shipments

Collect on delivery (COD) shipments will be accepted subject to the following provisions and charges:

1. General

- a. Shipments must be tendered on "Uniform Straight", "Straight Bill of Lading Short Form", or "Straight" bill of lading forms as shown in the NMFC. The letters "COD" must be stamped, typed or written on all such bills of lading and shipping orders immediately before name of consignee; or, "COD" in letters at least one inch in height with thickness of stroke $\frac{1}{4}$ inch thick or greater must be stamped or printed across the face of all bills of lading and shipping orders. Only one COD amount may be shown and may not be subject to change orders. Only one COD amount may be shown and may not be subject to change dependent upon time or conditions of payment. The name and street and post office address of consignor and consignee must be shown on bill of lading and shipping order.
- b. Each package must be plainly marked, labeled, or tagged by consignor showing letters COD, and the name and address of consignor and consignee in accordance with Item 980 of the NMFC.
- c. The Carrier will not be liable for the collection of the COD amount if the shipper fails to mark the Bill of Lading, Shipping Order, and Packages in compliance with Sections 1 and 2 of this item.<.li>

2. Mixed Shipments

COD packages will not be accepted on the same bill of lading with packages other than COD and only packages covered by one COD bill may be tendered on one bill of lading.

3. Invoices

If consignor desires to forward invoice or collection papers, they must be securely attached to the shipping order copy of the bill of lading and the shipping order must show the following information:
"Attached invoice (s) to accompany shipment to destination."

4. Identity of Consignee

COD shipments will not be accepted, or receipted for, when billed to one firm or person, with instructions to collect charges from another firm or person.

5. Consignee's Responsibility

COD shipments will not be accepted for transportation subject to inspection or trial by consignee or when bearing instructions to make partial delivery. Carrier is responsible to deliver the shipment in accordance with the bill of lading contract. If, for any reason, upon presentation for delivery, COD payment is refused by the consignee, Carrier is responsible for the disposition of the shipment only in accordance with the bill of lading contract and tariff provisions, as applicable. Carrier is not responsible, in such circumstances, to seek or remit the COD amount to the consignor or owner of goods.

6. Collection of COD Charges

The amount of COD bills for COD shipments must be collected at the time such shipments are delivered to the consignee.

7. Form of Payment

When the Shipper fails to specify an acceptable form of payment on the Bill of Lading, Carrier may accept any form of payment listed herein including personal and company checks. Even when the Shipper specifies a particular form of payment, Carrier is specifically authorized to accept cash, cashier's check, certified check, teller's check, official check, money order or similar instrument issued by or on behalf of the consignee. Cash will be accepted up to a maximum of \$250.00. Notwithstanding the foregoing, Carrier shall have no liability whatsoever for failure to collect the specified form of payment.

8. Responsibility for Payment

- a. The charges for collecting and remitting the amount of bills for COD shipments will be collected from the consignor, except that such charge may be collected from the consignee, providing notation to the effect is made by the consignor on the bill of lading and shipping order. Collection or remitting charges for freight or other lawful charges due the carrier shall be paid to the Carrier and must not be included in the checks or money orders made payable to the consignor. If the consignor neglects to give instructions regarding the COD fee, the fee terms will follow the terms of the Bill of Lading.

- b. Upon collection of a COD bill, Carrier collecting same shall remit each COD collection directly to the consignor or other person designated by the consignor as payee, promptly and within fifteen days after delivery of the COD shipment to the consignee. If the COD shipment moved in interline service the delivering carrier shall, at the time of remittance of COD collection to the consignor or payee, notify the originating carrier of such remittance.
- c. The Carrier will not be liable for the collection of the COD amount if the shipper, following the Carriers failure to collect the proper COD amount, does not file a claim for the same amount within 30 days of the shipment's delivery.
- d. Carriers responsibility is to accept a form of payment from consignee that appears valid on its face. Carrier is not liable for accepting an apparently valid form of payment that is later determined to be invalid for any reason.

9. Payment Records

- a. The delivering carrier shall maintain a record of all COD shipments received for delivery in such manner and form as will plainly and readily show the following information with respect to each shipment: 1) Number and date of freight bill; 2) Name and address of shipper or other person designated as payee; 3) Name and address of consignee; 4) Date shipment delivered; 5) Amount of COD; 6) Date collected by delivering carrier; 7) Date remitted to payee; 8) Check number or other identification of remittance to payee.

10. Carrier Charges

- a. The charges of the destination carrier for collecting and remitting the amount of each COD bill to be collected on shipments consigned COD will be 6% of the COD amount, subject to a minimum charge of \$75.00. In the event an account has negotiated a waiver of this fee and/or negotiated a flat amount, Carrier will have no liabilities in the collection of the COD.

11. Changes to COD Instructions

- a. Carrier will accept only written instructions from the shipper to return the shipment or to

change the bill of lading provisions on Collect on Delivery (COD) shipments subject to the provisions of this item by increasing, reducing or canceling the COD amount.

- b. A charge of \$40.00 per shipment will be assessed in addition to all other lawful charges.
- c. All charges accrued under this item must be prepaid or guaranteed to the satisfaction of the carrier.
- d. Carrier does not obligate itself to accept the changes provided herein, but upon request a reasonable effort will be made to do so, subject to the provisions herein.
- e. Carrier will, upon written authorization from shipper, change the form of payment of COD amounts to accept consignee's personal check when such form of payment was not originally authorized, subject to an additional charge of \$40.00 per shipment. If request is received after the shipment has been tendered for delivery, and refused by consignee, the shipment will also be assessed the applicable redelivery charge, in addition to the charge for changing the form of acceptable payment. Shipper must guarantee payment of the charge for changing the form of payment and the redelivery charge, if any.

12. Miscellaneous

- a. COD shipments will not be accepted where the value exceeds \$10,000.00. If a shipment with a COD amount over \$10,000.00 is inadvertently accepted, Carrier's maximum liability will be \$10,000.00, if the COD is not collected.
- b. Any limitation on the amount of cash that will be accepted by Carrier, does not apply when COD shipments are picked up by consignee or his agent at Carrier's terminals.
- c. If the Carrier fails to collect the COD at time of delivery, the party responsible for payment fails to pay the legitimate COD charges within the specified credit period, and the Carrier has to seek third party collections services to obtain payment of such charges, the Carrier will assess a Collection Expense Charge. This charge will be of an amount equal to the sum of a reasonable attorneys fee, court costs, and administrative costs incurred in legitimate collection efforts.

- d. Any claim against Carrier for failure to collect COD must be asserted as a freight claim and will be governed by the Carmack Amendment to the Interstate Commerce Act, 49 U.S.C. § 14706