

**SURFACE TRANSPORTATION BOARD FILES STATEMENT OF LEGAL PRINCIPLES  
GOVERNING HUMBOLDT EXPRESS ATTEMPT TO COLLECT ADDITIONAL FREIGHT  
CHARGES**

FOR RELEASE: i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z  
i:z i:z Contact: Dennis Watson  
Monday, July 28, 1997 i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z  
i:z i:z i:z i:z (202) 565-1596  
No. 97-60 i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z i:z  
i:z i:z i:z i:z i:z TDD (202) 565-1695 i:z i:z i:z

**SURFACE TRANSPORTATION BOARD  
FILES STATEMENT OF LEGAL PRINCIPLES  
GOVERNING HUMBOLDT EXPRESS ATTEMPT  
TO COLLECT ADDITIONAL FREIGHT CHARGES**

Surface Transportation Board (Board) Chairman Linda J. Morgan announced today that the Board has filed comments with the Bankruptcy Court for the Western District of North Carolina (Court) to assist in the disposition of the appeals of several shippers defending themselves against efforts by Humboldt Express, Inc. (Humboldt) to collect additional freight charges for the late payment of freight bills. Humboldt is claiming to be seeking additional charges from the shippers by disallowing earlier discounts on the ground that the shippers failed to pay original freight charges to Humboldt within an allotted credit period. In one case, though Humboldt took no action to collect original charges of only \$78.36 that were paid no more than seven days late, Humboldt seeks to collect a penalty amounting to \$117.53.

**-- MORE--**

The Board told the Court that a penalty like the one in the above instance would violate credit regulations permitting recovery only of “**reasonable** liquidated damages for all **costs incurred** in the collection of overdue freight charges.” [Section 377.203(g)(1) of Title 49, Code of Federal Regulations (49 CFR 377.203(g)(1)) (emphasis added)]. The Board noted that the credit regulations are intended to permit carriers to recover their costs of collection while protecting shippers from excessive charges.

The Board pointed out that, where no collection attempt has been made, the appropriate remedy for a late payment is to assess reasonable interest charges on the amount of the late-paid bill during the period it remained unpaid. The Board said that, where a collection attempt has been made, any liquidated damages assessed on a shipper must bear a reasonable relationship to the costs of the carrier’s collection effort. The Board said that the liquidated damages provision of the credit regulations was never intended, and has never to date been applied, as a penalty upon a shipper or to provide a windfall for a trucking company.

The Board’s comments were filed in In re Humboldt Express, Inc., Case Nos. 96-30221, 96-30222; Humboldt Express, Inc. v. Oxford Industries, Inc., Adv. No. 97-3187 (Bankr. W.D. N.C.).

**###**

