

DEMURRAGE ON UNDELIVERED C. O. D. PARCELS

FEBRUARY 3, 1927.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. Foss, from the Committee on the Post Office and Post Roads, submitted the following

REPORT

[To accompany H. R. 14703]

The Committee on the Post Office and Post Roads, having had under consideration the bill (H. R. 14703) to authorize the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels, reports the same back to the House with the recommendation that the bill do pass.

The suggestion for this legislation is found on pages 53 and 76 of the Postmaster General's annual report for the fiscal year ended June 30, 1926.

From time to time the Postal Service is confronted with difficulties growing out of the development of some feature of the service, or coincident with it, for which there is no adequate remedy except by way of legislation. An abuse of this nature has grown up with the more extended use by patrons of the collect-on-delivery service. Under the law, unless the sender specifies a shorter time within which the delivery is to be made, the post office must hold a C. O. D. package 30 days. Automobile accessory dealers, agents for tailoring concerns, dealers in eggs, and numerous others engaged in similar businesses have taken advantage of this situation by ordering goods to be sent to them collect on delivery and then requiring the post office to hold them until delivery to their customers might be effected immediately, thus avoiding storage and outlay of cash and continuing the liability of the post office holding the goods. An instance was brought to the attention of the committee where a dealer in eggs was using the post office as a warehouse or storeroom at a saving to himself of \$200 a month, the rental value of the space in the post office occupied by him in the handling of his egg business.

The committee is unanimously in agreement that these practices constitute an abuse of the Postal Service and recommends the passage of the bill authorizing the Postmaster General, under rules and regulations to be prescribed by him, to impose demurrage charges when delivery has not been made until after a reasonable period to be prescribed.