

Business Law Chapter 20 – Carriers and Hotelkeepers

- ☞ A company that transports people or goods or both is called a carrier. There are three kinds of carriers – common, contract, and private.
- ☞ With some exceptions, a common carrier must serve everyone who requests service without discrimination.
- ☞ A common carrier is liable as an insurer of the goods in its care.
- ☞ A common carrier has the right to payment of fees and the right of lien on all goods shipped, for the amount of the shipping charges.
- ☞ A common carrier may deny passage to any person who is a serious nuisance or who might jeopardize the safety of others.
- ☞ A contract carrier is free to accept or reject requests for transportation. A contract carrier is not liable as an insurer of goods in its care.
- ☞ A private carrier is not in the transportation business. A private carrier transports its own goods with its own vehicles.
- ☞ Interstate common carriers and contract carriers are regulated by the Interstate Commerce Commission (ICC), Intra-state common carriers and contract carriers are regulated by state railroad, public utility, or public service commissions.
- ☞ When an airline flight is oversold, no one may be denied boarding until airline personnel first ask for volunteers.
- ☞ Hotelkeepers must accept as guests all people who arrive in proper condition and are able to pay for their lodging.
- ☞ With exceptions, hotelkeepers are liable as insurers of guests' property, up to an amount set by state statutes.



Chapter 20 Vocabulary

Act of God – natural occurrences that humans could neither foresee nor avoid such as floods, earthquakes, tornadoes, hurricanes, snowstorms, fire and lightning.

Common carrier – company that transports people or goods for pay and offers its facilities to the general public for anyone who wishes to hire it.

Contract carrier – company that transports people or goods for pay but limits it to those with whom it desires to do business.

Demurrage charge – additional fee charged for storage beyond the time for loading or unloading of goods.

Deregulation – reduction or removal of government control of business

Hotelkeeper – individual, partnership, or cooperation that regularly offers rooms to transients for a price. A special type of bailee.

Lodger – person staying at a hotel, motel, or rooming house for a definite period of time.

Passenger – people being legally transported

Private carrier – company that operates its own trucks and other vehicles to transport its own goods

Transient – person whose stay is uncertain in length. Also called a guest.

