

Business Practice Subcommittee Report Supplement
2/20/2003
Creditworthiness – Additional Proposed Standards within Strawman

Proposed Standard z10

For the Service Requester (SR) to receive initial service or to continue service from a Transportation Service Provider (TSP), the SR should be (1) creditworthy in accordance with the TSP's tariff or provide credit alternative(s) in accordance with NAESB WGQ standard (z11), (2) current on all undisputed payments to the TSP for service, and (3) otherwise in compliance with the TSP's tariff or service agreement.

Proposed Standard z11

In the event the Service Requester (SR) is determined to be non-creditworthy by a Transportation Service Provider (TSP), at the SR's option the SR should provide one or more of the following forms of credit alternative(s) to receive initial service or continue to receive service:

- (i) guarantee;
- (ii) an irrevocable letter of credit; or
- (iii) prepayment of service.

Such credit alternative(s) should be (1) acceptable to the TSP, provided that the TSP's acceptance should not be unreasonably withheld and (2) in accordance with standard industry practices. The TSP and SR may mutually agree that the SR will provide other forms of credit alternatives. In order for a guarantee or an irrevocable letter of credit to be accepted by the TSP, the entity that provides such guarantee or letter of credit must be creditworthy in accordance with the TSP's tariff.

Proposed Standard z12 - withdrawn