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COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-178546

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June 14, 1973

Sea-Land Service, Inc.  
P. O. Box 1050  
Elizabeth, New Jersey 07207

Attention: A. Leopoldo  
Manager, Office Systems

Gentlemen:

We refer to your letter of March 8, 1973, with enclosures, to our Transportation (and Claims) Division, concerning Gulf-Puerto Rico Lines' bill No. W/B 81-823764 (our TK-957038) for \$10,381.95. We note that both Sea-Land Service, Inc., and Gulf-Puerto Rico Lines, Inc. (hereafter Gulf-Puerto Rico) are subsidiaries of R. J. Reynolds Industries, Inc., and we assume that, in pursuing this claim you represent Gulf-Puerto Rico.

Bill W/B 81-823764 is a [claim for freight charges] for transporting nine shipments of freight trailers from Hatillo, Puerto Rico, to Bynum, Alabama, during the summer of 1969. Since the claim was not received in the General Accounting Office within the 3-year statutory limitation period prescribed in section 322 of the Transportation Act of 1940, as amended, 49 U.S.C.A. 66, the Division advised Gulf-Puerto Rico that the claim was barred.

We are treating your letter as a request to review the action taken by that Division because of your allegations that extenuating circumstances are involved.

The transportation of the nine shipments was authorized on Government bills of lading which apparently are lost; a Certificate in Lieu of Lost Government Bill of Lading (CIL), prepared by the Department of the Army in August 1972 for each shipment, shows that each shipment covered one bundle of trailers (two 10-ton flat bed trailers nested bed to bed in a bundle), and was routed Gulf-Puerto Rico to Mobile, Alabama, and Victory Freight Lines (hereafter Victory) to Bynum, Alabama. The Certificate and Waiver by Transportation Company on the face of each CIL is dated August 28, 1972, and is signed by Gulf-Puerto Rico; the Certificate of Consignee on each CIL is dated November 9, 1972, and collectively they show that the shipments were delivered to the consignee by Victory between September 2 and 23, 1969.

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In addition to the usual entries, each CIL is annotated "RATE PER UNIFORM TENDER DATED 6/12/69 - quotation #9 FMC #06-FILE 700-9"; "\$1,153.55 TOTAL THRU CHARGES"; and contains a typewritten statement: "VICTORY WAIVES ALL COLLECTION CHARGES TO GULF-PUERTO RICO LINES, INC." (We note that this statement is not signed by Victory). The claim for \$10,381.95 was first received from the Department of the Army by the General Accounting Office on December 4, 1972, more than 3 years after the delivery dates shown on the CILs.

The extenuating circumstances referred to by you are (1) that the present claim is the result of misplaced originals by the Department of the Army, (2) that your company was required to send two sets of CILs to our Department; and (3) that the first set of CILs was misplaced on original receipt by the accounting office. (Our emphasis).

You enclosed with your letter a copy of a letter dated June 30, 1970, from the Department of the Army's Finance Center to the Claim Agent of Gulf-Puerto Rico. This letter reads in part:

"Original bills of lading are enclosed as follows:"

[then followed a list of the original bill of lading numbers]. The letter contains a stamp showing that it was received in Gulf-Puerto Rico's claim department on July 9, 1970, which would seem to indicate that the originals were returned to Gulf-Puerto Rico.

There is no indication in our records that Gulf-Puerto Rico was required to send two sets of CILs to the General Accounting Office or to our Transportation and Claims Division. We therefore infer that, when you refer "to our department," you mean the Department of the Army.

Also, there is no indication in our records that the first set of CILs was misplaced by the General Accounting Office; again, we believe that you meant to refer to an accounting office of the Department of the Army.

After reviewing this record, we must conclude that, since the claim was not received in the General Accounting Office within 3 years of the dates of the delivery of the shipments, our Transportation and Claims Division's action in advising Gulf-Puerto Rico by letter of February 12, 1973, that its claim is barred was the only proper disposition of the claim that could have been made under the applicable laws and regulations.

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We enclose a copy of our decision of October 8, 1971, B-173122, 51 Comp. Gen. 201, in a similar case of administrative delay, which sets forth the laws and regulations applying to the rejection of Gulf-Puerto Rico's claim.

We also enclose the claim and its supporting papers which apparently were inadvertently not enclosed with the Division's letter of February 12, 1973.

While we appreciate your view that there were extenuating circumstances surrounding the processing of the claim by the Department of the Army, the action of our Transportation and Claims Division appears on the present record to be correct and must be and is sustained. However, if you have any evidence establishing that Gulf-Puerto Rico's claim was actually presented to the General Accounting Office as distinguished from the Department of the Army or one of that department's finance or accounting offices within 3 years of delivery of the shipments, we will be pleased to give the matter further consideration.

Sincerely yours,

Paul G. Dembline

For the Comptroller General  
of the United States