GAO

United States
General Accounting Office
Washington, D.C. 20548

Office of the General Counsel

230315

B-254831

June 1, 1994

Joseph J. Cosimano
Director, Office of Transportation Audits
General Services Administration
Attn: FW
Washington, D.C. 20405

Dear Mr. Cosimano:

This letter concerns your denial of Tri-State Motor Transit Company's claim for an excess valuation charge of $74.25 on Government Bill of Lading (GBL) C-7,463,381. The transaction involved the movement of a 200-pound 20mm gun.

The released value notation on the GBL stated: "RELEASED VALUE NOT EXCEEDING $250 PER LB PER ARTICLE"; you maintain that the amount should have been $2.50 instead of $250. Tri-State claims additional valuation charges based on $49,500 of liability in excess of the $500 allowed by the base rate of $2.50 per pound. (Total liability would be 200 pounds x $250/lb. = $50,000.) You contend that "$250" obviously was a typographical error and that Tri-State should have known that this shipment was released to a value of only $2.50 per pound per article. (We note that the transportation officer recently issued a GBL Correction Notice stating that the shipment had been released to a value of $2.50 per pound per article.)

The facts here are similar to those in our decision in American Farm Lines, B-203933, June 17, 1982. There, we recognized that a GBL notation declaring a released value not to exceed $250 per pound (or $1,640,000 on 6,560 pounds) was an obvious error because it significantly exceeded the actual value of the item shipped ($60,880). We did not apply the released value of $2.50 per pound as urged by your office, however, essentially because the record did not establish the government's intent to release the shipment at that value. We therefore allowed the excess valuation claim limited to the actual value of the item shipped (the maximum carrier liability).

The record here also contains no evidence that the government intended that $2.50 per pound of released value would be applied to this shipment - there is nothing on the

GBL or in the shipment records that suggests that the value was meant to be in that amount. Further, there is nothing in the shipment record that would have been inconsistent with a released value of $250 per pound, about which the carrier might have had a duty to alert the government. <u>See Riss International</u>, B-226006, Feb. 19, 1988. Moreover, we have no reason to doubt Tri-State's statement that it did not know the actual value of the shipment.

In these circumstances, we see no basis to ignore the GBL and apply a released value of $2.50 per pound. As Tri-State recognizes, however, any claim it has to excess valuation is limited by the actual value of the gun. Unlike in <u>American Farm Lines</u>, your administrative report does not indicate the actual value of this gun, and our efforts to determine its value have been unsuccessful. In our view, you should determine the value of the gun, and settle this matter in accordance with the <u>American Farm Lines</u> decision.

In sum, Tri-State's claim should be paid to the extent that the additional valuation charge is based on a value not exceeding the gun's actual value, minus $500 of valuation covered in the base rate.

Sincerely yours,

Seymour Efros

Robert P. Murphy
Acting General Counsel

cc: Robert Norcom, Tri-State Motor Transit
Staff Judge Advocate, MTMC

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Government Bill of Lading (GBL) stated that a shipment was released to a value nct to exceed $250 per pound article, and it is not clear from the GBL and/or other contractual documents that this was simply a typographical error and that the released value intended actually was $2.50 per pound. The carrier therefore should be paid excess valuation charges, but based only on an amount that does not exceed the value of the article.