



The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Audit Company - Pioneer Van Lines, Inc.
File: B-222263
Date: August 10, 1987

DIGEST

The General Services Administration deducted as overcharges the difference between the charges billed by the carrier on a combination of rates and a through rate applicable from the Storage-In-Transit location to destination. In view of the tender's plain language, there is no merit in the carrier's contention that for delivery of household goods, shipments more than 50 miles from the Storage-In-Transit point, two rates are applicable: a drayage rate for the first 50 miles and a linehaul rate applicable for the miles beyond. Clearly, only one rate, whichever is higher, is applicable. GSA's action is sustained.

DECISION

The Audit Company, on behalf of Pioneer Van Lines, Inc. (Pioneer), requests review of a deduction of freight charges taken by the General Services Administration (GSA) pursuant to 31 U.S.C. § 3726 (1982). We sustain GSA's action.

BACKGROUND

GSA's deduction is based on an audit determination that Pioneer collected overcharges on a bill for the transportation of a shipment of household goods, weighing 3,001 pounds, from its Storage-In-Transit (SIT) location in Hyattsville, Prince George's County, Maryland, to its final destination in Columbus, Ohio, a distance of 396 miles.^{1/}

^{1/} These services followed the International Through Government Bill of Lading (ITGBL) movement of the shipment from Korea on GBL No. FP-168051, issued by the U.S. Air Force. The charges for the ITGBL transportation are not in issue.

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A tender rule governing delivery from storage contains rates for drayage to final residences located not over 50 miles from the SIT location, and for the transportation of shipments more than 50 miles from SIT. For shipments over 50 miles the rule refers to linehaul rates published in another tender section. Since the shipment was transported more than 50 miles from SIT to final residence (396 miles), the issue is whether only the linehaul rate is applicable for transportation from SIT to final residence, as contended by GSA, or whether the drayage rate, otherwise applicable for shipments transported not over 50 miles, should be combined with the linehaul rate for transportation over 50 miles, as contended by the carrier.

Pioneer's protest to GSA's action requires consideration of different interpretations of provisions in Military Rate Tender 20-H (MRT), which was drafted by Pioneer's publishing agent, the Household Goods Carriers' Bureau. The main portion of the Tender that is in contention here is item 108-D of Section 2 (Additional Services), which provides rules and pick-up or delivery transportation rates to apply on SIT shipments. Paragraph 1 of item 108-D states that the rates apply to drayage of SIT shipments from the destination SIT warehouse to the final residence. Paragraph 2 states:

"For distances over a 50 mile radius within CONUS,^{2/} apply the rates in Section 3, Schedule A (CONUS) or the applicable rate from Schedule A thru S in this item, whichever is greater."

GSA and Pioneer agree on the rates that would be applicable under their respective theories. Section 2 contains an \$8.70 per hundredweight drayage rate and Section 3 contains an \$11.75 per hundredweight linehaul rate. Since the \$11.75 linehaul rate is greater than the \$8.70 drayage rate and item 108-D requires application of the greater rate, GSA contends that the \$11.75 linehaul rate is applicable alone, that is, not in combination with the drayage rate. Pioneer, however, would apply a combination of the two rates so as to charge the \$8.70 rate for the first 50 miles plus the \$11.75 linehaul rate for the distance in excess of 50 miles, for a total of \$20.45 per hundredweight for the shipment.

^{2/} CONUS means continental United States.

Pioneer bases its combination theory on the first few words of item 108-D, paragraph 2. Pioneer interprets "for distances over a 50 mile radius * * *" to mean that the \$11.75 linehaul rate in Section 3 applies only from the 51st mile to the destination point. Therefore, the \$8.70 drayage rate in Section 2 must be added for the distance from 0 to 50 miles. Pioneer contends that for GSA's interpretation to prevail, item 108-D, paragraph 2 would have had to read, "when distances from point of storage to final destination exceed 50 miles * * *."

We cannot agree with the carrier. The tender as a whole is clear that whichever delivery rate is applicable, the drayage rate or linehaul rate, it applies from the SIT point through to the destination. An illustration of clarity on this point appears on the face sheet of Section 3.

Although the language in paragraph 2 instructs application of the Section 3 rates to "distances over a 50 mile radius" the face sheet of Section 3 provides that the linehaul rates published therein apply on--

"Shipments which are picked-up or delivered from storage-in-transit beyond 50 miles from storage warehouse; refer to Item 108." (Emphasis supplied.)

This language, instructing application of the rates from the SIT point, undercuts Pioneer's contention that the rates apply only from the 51st mile, and provides substantial support for GSA's interpretation. As a result, we accept GSA's interpretation that the rate of \$11.75 in Section 3, Schedule A was applicable from the SIT location in Maryland to Columbus, Ohio.

Accordingly, we sustain GSA's overcharge findings.

Milton J. Jordan
for Comptroller General
of the United States