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DECISION



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

FILE: B-188186

DATE: September 5, 1979

MATTER OF: District Containerized Express -

CNG00857

[Request for Reconsideration]

DIGEST:

1. Under Section 901 of the Merchant Marine Act of 1936, 46 U.S.C. § 1241(a) (1976), economy alone may not be relied on to justify use of foreign-flag ship.
2. Where carrier submits evidence of ocean freight charges paid to foreign-flag carrier, its bills for through door-to-door transportation charges less ocean freight charges may be certified for payment.

District Containerized Express (District) requests reconsideration of our decision of April 21, 1977, B-188186. In that decision we held that District's bills for freight charges allegedly due for the door-to-door through transportation of two privately-owned vehicles (POV) from Frankfurt, Germany, to Bladensburg, Maryland, could not be certified for payment because contrary to Section 901 of the Merchant Marine Act of 1936, 46 U.S.C. § 1241(a) (1976), foreign-flag ships were used for part of the transportation when American-flag containership service was available. District's bill numbers are DCE-895 and DCE-865.

District contends that use of American-flag containership services would have doubled the cost of the ocean part of the transportation. However, economy alone may not be relied upon to justify use of a foreign-flag ship. 31 Comp. Gen. 351, 353 (1952).

District's agent in Germany tendered the POVs to a foreign-flag line, Wallenius Lines, which transported them from Bremerhaven, Germany, to Baltimore, Maryland. District arranged for transportation of the POVs between the employees' residences and the ports.

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District billed the General Accounting Office (GAO) a flat charge of \$1,050 for a POV transported under Government bill of lading (GBL) No. K-0283565, and \$975 for a POV transported under GBL No. K-0283506. These charges covered door-to-door through transportation services. GAO 60001

In support of its request for reconsideration, District has provided documents showing the cost for each segment of the transportation. For the POV shipped under GBL No. K-0283565, ocean shipping costs were \$518.74. For the POV shipped under GBL No. K-0283506, the ocean shipping costs were \$476.77.

We have held that we would consider an allowance of the through door-to-door transportation charges less the ocean freight on the foreign vessel if the carrier submitted evidence of the ocean freight paid. B-162083, January 14, 1969.

District submitted copies of the bills of lading from Wallenius Lines and copies of the checks from District showing payment of the ocean freight charges. Therefore, we today have advised GAO's authorized certifying officer that District's bill number DCE-895 may be certified for payment of \$531.26 and its bill number DCE-865 may be certified for payment of \$498.23, if otherwise correct.

Our prior decision is modified accordingly.


Deputy Comptroller General
of the United States