

DECISION

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

FILE: B-206344; B-207516
B-208276

DATE: February 8, 1983

MATTER OF: J&V Audit Company, in behalf of Jet
Forwarding, Inc., Allied Van Lines, Inc.,
and HC&D Forwarders International, Inc.

DIGEST:

1. Under provisions of Military Basic Tender and Government bill of lading, Government and forwarder agreed that where forwarder, at destination of international shipment of household goods, is instructed to place shipment into storage-in-transit (SIT), the state shown on the destination line of GBL determines which single-factor rate is applicable to the line-haul movement.
2. Where destination line of GBL shows that shipment of household goods from Germany is consigned to Fort Campbell, Kentucky, the single-factor rate to Kentucky is applicable where shipment is ordered into SIT at destination, even though SIT point selected by carrier, owner's new residence, and main entrance of Fort Campbell are located in Tennessee.

J&V Audit Company (J&V), in behalf of Jet Forwarding, Inc., Allied Van Lines, Inc., and HC&D Forwarders International, Inc., requests review of settlement actions taken by the General Services Administration (GSA) disallowing supplemental bills in connection with several international shipments of household goods. We sustain GSA's actions.

These cases involve circumstances that are common when the Government ships a service member's household goods from a point overseas to the United States in connection with a change of station. When the Government bill of lading (GBL) is prepared, consigning the shipment to the member's new duty station, his new residence address is unknown. Storage-in-transit (SIT), therefore, is authorized. If the uncertainty over the residence is not resolved by the time the shipment arrives at destination, the carrier places the household goods into storage and subsequently delivers

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them to the member when notified of the new residence location. In each of these cases, the destination of the shipment shown on the GBL was in a state different from the SIT location and new residence.

The charges on the shipments involved consist of two elements: (1) the single-factor (line-haul) rate (SFR), and (2) delivery charges for delivery out of storage into the consignee's new residence. (For the distinction between line-haul and delivery charges, see 40 Comp. Gen. 199 (1960).) The delivery charges are not in dispute. As to the line-haul charges, GSA contends that the applicable SFR is determined by the state shown on the destination line of the GBL. The carriers contend that applicability depends on the state in which the household goods ultimately are delivered to the consignee's new residence.

Several decisions of the Court of Claims sustain GSA's position. In Trans Ocean Van Service v. United States, 426 F.2d 329 (Ct. Cl. 1970), the court found that members of the household goods transportation industry contracted with full knowledge of the described circumstances. We find no merit, therefore, to J&V's contention that the shipments were erroneously consigned, and we note that the carriers do not allege or show that diversion occurred. In Routed Thru-Pac, Inc. v. United States, 401 F.2d 789 (Ct. Cl. 1968), the court found that in circumstances, as here, where the new residence is not known upon arrival of the shipment at destination, the carriers agreed that delivery into SIT was included in the SFR. Further, in Trans Ocean Van Service v. United States, 470 F.2d 604, 615 (Ct. Cl. 1973), the court established the principle that a carrier may not unilaterally select a SIT warehouse located in a state different from the destination state agreed upon in the GBL and thereby increase the amount of the line-haul charge for the shipment. Where storage in a different state is not requested by the shipper, such storage confers no benefit on the shipper, and creates no obligation on the shipper's part to pay a greater line-haul charge than that agreed.

Although four bills are involved, we need only deal with the facts concerning one of them since they are illustrative of what is at issue. In each case the consignee's new duty station is shown on the destination line of the GBL, while

delivery from storage was made to the consignee's new residence which was located in another, although adjoining, state. Under GBL No. M-5583981, the household goods were picked up by the carrier in Nuremberg, Germany, on or about July 22, 1977. The shipment was consigned to Sergeant Allen Wilson, Fort Campbell, Kentucky, and the carrier was instructed to notify the installation transportation officer upon arrival at destination. The GBL authorized SIT for a period not to exceed 90 days.

Upon arrival of the goods at destination, the transportation officer directed the carrier to put them into storage. The DD Form 629-1 shows that on September 27, 1977, the carrier placed the shipment in storage at the warehouse of Thompson Moving and Storage, which was located in Clarksville, Tennessee. Subsequent to delivery into SIT, the goods were delivered to the owner's new residence in the same city.

The carrier collected freight charges based on the SFR from Germany to Kentucky, and additional charges for delivery from the SIT point to the owner's residence. The block for tariff authorities on the GBL contains the notation "CRP Volume II"; this refers to the SFRs published in Germany/Okinawa Competitive Rate Printout II, effective May 1, 1977. The delivery charges from the SIT point to residence were derived from Household Goods Forwarders Association of America, Inc. Military Basic Tender 1-F, ICC No. 4 (MBT). The carrier then submitted a supplemental bill for additional charges on the ground that since a portion of Fort Campbell (including the main entrance), the SIT point, and the owner's new residence are located in Tennessee, it was entitled to collect freight charges based on the higher SFR to Tennessee rather than the SFR to Kentucky. In disallowing the bill, GSA contends that the destination shown on the GBL controls and notes that the post office and surface facilities of Fort Campbell are in Kentucky. See Direct Transport Co., Inc.-Declaratory Order, 83 MCC 136 (1960), for the bi-state geographic distribution of Fort Campbell.

Item 15 of the MBT provides that SFRs apply from origin "to any destination point within the destination area." It is clear from item 6 of the MBT and a Department of Defense letter to shipping offices of March 28, 1977 (which contains the traffic management procedures for international shipments of household goods under the Competitive Rate Program), that in the context of this case, "area" means "state."

We agree, in substance, with GSA's position, which is that:

"* * * If a shipment is consigned to Fort Campbell, Kentucky, and stored in Kentucky, or across the state line in Tennessee for carrier's convenience, and then delivery instructions are received to deliver the shipment from storage to Tennessee or anywhere else, the carrier will be paid the SFR to Kentucky, and delivery charges as provided in Item 145 of the Military Basic Tender."

We hold that when an international shipment of household goods, subject to the MBT, arrives at the destination state shown on the GBL and the carrier is instructed to place the shipment into SIT, the SFR to the destination state shown on the GBL is applicable regardless of the location selected by the carrier for SIT or the location of the owner's new residence, or whether part of the destination installation is located in another state. J&V obviously overlooks the distinction between the destination of a shipment (here, Tennessee) and the agreed destination subject to the line-haul rate, which, according to the agreement of the parties, was Kentucky. See McLean Trucking Co., Inc. v. United States, 387 F.2d 657 (Ct. Cl. 1967). Compare 22 Comp. Gen. 1063, 1066 (1943).

Item 5 of the MBT, which deals with the governing regulations, states that:

"International through Government Bill of Lading shipments made under this tender are subject only to the terms and conditions of the Government bill of lading, the rules and regulations contained herein, and the carrier's Tender of Service on file with MTMC.* * *"


In this case, the GBL--which represents the contract between the carrier and the shipper--clearly designates the destination for the household goods as Fort Campbell, Kentucky.

Since the carrier agreed through the GBL to store the goods in the state where the shipment was consigned and the GBL shows that the carrier agreed to deliver in Kentucky, the fact that part of Fort Campbell is within Tennessee has no bearing on determination of the applicable SFR.

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There is no merit in J&V's argument that the Household Goods Carriers' Bureau Mileage Guide No. 10, MF-ICC No. 169, establishes, for purposes of the Competitive Rate Program, that Fort Campbell is in Tennessee; therefore, we conclude that J&V has not established the liability of the United States. See Sunpak Movers, Inc., B-196480, January 30, 1980.

Accordingly, GSA's settlement actions are sustained.

for 
Comptroller General
of the United States