

## CHAPTER 13

**TRANSPORTATION PAYMENTS FOR FREIGHT AND PERSONAL PROPERTY**1301 RESPONSIBILITIES130101. Title 41, Code of Federal Regulations, Public Contracts and Property Management

A. This chapter outlines the responsibilities, entitlements, and special procedures for payment of transportation documents, including government bills of lading (GBL), transportation requests (TR), and transportation warrants. General policies for the use of military-owned transportation facilities and the acquisition of transportation services from commercial companies for movement of freight, personal property, and passengers are in the Title 41, Code of Federal Regulations (CFR), DoD 4500.34-R, Personal Property Traffic Management Regulation, and DoD 4515.13-R, DoD Air Transportation Eligibility Regulation. In paragraphs 130101-B, C, and D, three managers are cited for transportation. This is one for each of the Military Departments. However, the major transportation functions of all three Departments are under the umbrella of the United States Transportation Command.

B. The Secretary of Defense has designated the Secretary of the Army as the Single Manager Operating Agency for military traffic, land transportation, and common-user ocean terminals. The Secretary of the Army has established the Military Traffic Management Command (MTMC) as the Executive Director of the Single Manager Operating Agency for all transportation for DoD Components, except ocean and airlift services. The Air Mobility Command shall monitor and manage the procurement by charter or short term contract (90 days or less) of airlift services within the Continental United States (CONUS), and MTMC shall maintain data concerning the use of such service.

C. The Secretary of the Air Force is designated as the Single Manager Operating Agency for Airlift Service. The Air Mobility Command (AMC) is designated as the Executive Director of the Single Manager Operating Agency for Airlift Service. The AMC must procure all long-term (in excess of 90 days) contract airlift service within CONUS and shall procure by contract or otherwise, all commercial contract airlift service between CONUS and overseas areas, within and between overseas areas, and shall maintain data concerning such service.

D. The Secretary of the Navy is designated as the Single Manager Operating Agency for Sealift service. The Military Sealift Command (MSC) is designated as the Executive Director of the Single Manager Operating Agency for Sealift Service. The MSC shall monitor and manage all sealift service and shall maintain data concerning such service.

E. Installation Transportation Officers procure transportation and related accessorial or special services. They are appointed and act in accordance with DoD 4500.34-R. They arrange to transport or store military goods, privately owned household goods, baggage,

mobile homes, and other items entitled to be transported or stored at government expense. They also arrange to move military and civilian personnel under orders authorizing transportation at government expense.

130102. Rates Governing Transportation. Pay the full applicable commercial rates, fares, or charges for transportation by any common carrier of any persons or property for the United States, or in its behalf. However, pay a lesser rate if permitted under the contract or agreement between the government and the carriers, or unilateral offers from carriers.

130103. Transportation Payments

A. Pay proper bills or claims from carriers and forwarders within 30 days after they reach the designated billing office (CFR 101-41.401.e), as the prompt payment interest clock starts when the bill reaches the billing office. These payments are under the Prompt Payment Act (PPA) and interest is due if they are late. Transportation bills must be certified by the carrier that the shipment has been delivered in good order and condition. See Chapter 7 of this volume for PPA information.

B. The following carrier bills should not be paid in advance of completion of such services (CFR 101-41.402-1).

1. An assignee bank or financial institution under the authority of 41 U.S.C. 15.
2. Payees who are in bankruptcy proceedings or are subject to the control of a receiver, trustee, or other similar representative.
3. Payees who consistently fail to refund overcharges without valid reasons when notified by the GSA or any other Federal agency.
4. Payees who, without good cause, are slow to settle loss or damage or other claims.
5. Payees who owe substantial sums of money to the U.S. Government for which no adequate settlement arrangements have been made
6. Payees in such bad financial condition that the government's best interests require special payment rules for their accounts.
7. Payees who do business with the U.S. Government infrequently and who have not previously been administratively approved for payment.
8. Any other person or business organization administratively determined ineligible for valid reasons.

9. If the General Services Administration (GSA) does not object and the facts show that the U.S. Government's best interests are not jeopardized, make payments 30 days after the transportation officer receives the bill. The transportation officer must evaluate and approve each carrier or forwarder's performance to make this decision.

130104. Correct Rates and Overpayment

A. Statutory Provisions. No finance or certifying officer will be held liable for over payments made for transportation furnished on GBLs or TRs when the overpayment results from improper transportation rates, classifications, or from failure to deduct the proper amount (31 U.S.C. 3322 and 31 U.S.C. 3528).

B. Prepayment Audit. Public Law 99-627 dated November 7, 1986, amended 31 U.S.C. 3726 to permit prepayment audit of selected centrally paid transportation bills. The GSA was delegated the authority to perform these audits and further delegate that authority to other Federal Agencies, if the Administrator of the GSA determines that such a delegation would be cost-effective or otherwise in the best interest of the public.

1. The GSA has delegated that authority to the following DoD activities:

a. Defense Finance and Accounting Service-Indianapolis Center.

b. Navy Material Transportation Office, Norfolk, Virginia.

c. Transportation Voucher Certification Branch; Marine Corps Logistics Base; Albany, Georgia.

d. Headquarters, Military Traffic Management Command at Falls Church, Virginia and its Area Commands at Bayonne, New Jersey and Oakland, California.

2. Authority delegated in accordance with 41 CFR 101-41.103 is subject to complete oversight by the GSA. This oversight and test of accuracy will be made through the post-payment audit process and through on-site inspections. In order to assist in this process, prepayment audit activities or contractors are required to stamp each bill so audited with a certification substantially as follows:

"I certify that this bill was audited and certified for payment in the amount of \$\_\_\_\_\_."

3. The stamp will indicate both the name of the audit activity and the name of the contractor involved, if contracted, and initialed and dated by the auditor. Paid bills that were subject to prepayment audit must be forwarded under separate cover to the GSA, ATTN: FWA (Code PA), Washington, DC 20405.

4. Carrier claims disputing the prepayment audit will be adjudicated by the auditing activity or contractor within 30 days of receipt of the claim. If all or a portion of a claim is not approved, the activity shall issue a written final decision setting forth its position and the rationale therefore. Carriers who are dissatisfied with the activity's or contractor's final decision may appeal the decision to the GSA.

C. Post-payment Audit. Carrier's (GBL) bill and supporting documents that represent payments made by agency disbursing officers for freight and passenger transportation services shall be forwarded to the GSA, ATTN: BWAA, Washington, DC 20405, for audit (CFR 101-41.502.a). The GSA checks the carrier's rates for correctness during this audit and takes appropriate action if improper rates were used.

D. Collection of Overpayment. When instructed to do so by the GSA, the disbursing office will deduct the amount due the United States from an unpaid carrier's bill. Inform the GSA if you do not have, and are not likely to have, a subsequent voucher to collect an overpayment. The GSA then handles it as a U.S. claim against the payee.

E. Payments Subject to Review. Pay carriers their invoiced amount for personal property transportation on GBLs, including contract services for local drayage, storage, packing, etc. This includes the excess of the authorized weight allowance, whether any reimbursement has been or is to be collected for the excess. However, the authority to pay carriers their billed amount does not keep the GSA from deciding that the finance or certifying officer is pecuniarily responsible for failing to collect the overpayment.

F. Certification and Excess Cost. When a service member ships personal property on a GBL as part of a permanent change of station (PCS), the carrier is entitled to payment prior to GSA audit or settlement. The certifying officer will not be held financially liable for these payments, even though the service member is liable for a portion due to excess weight.

G. Overpayment Resulting from Contractor Overcharges. Should an overpayment be made to a transportation company as the result of overcharges they made to a cost-plus-fixed-fee contractor who, in turn, has been reimbursed by the government, the GSA will send notices of such overpayment to the Director, Defense Finance and Accounting Service-Indianapolis Center (DFAS-IN), ATTN: DFAS-IN-TGB, Indianapolis, IN 46249-0621. The DFAS-IN makes deductions from subsequent carrier bills and informs both the GSA and the carrier. The correctness of the original deductions is then settled between the carrier and the GSA. Refer all questions from carriers concerning the correctness of the original deductions to the GSA, ATTN: BWAA/C, 18th and F Streets, NW, Washington, DC 20405.

130105. Payments Made by DFAS-IN Directorate for Transportation Payments. For transportation payments involving ocean movement, see paragraph 130110 of this volume. The DFAS-IN makes payments on transportation, not involving ocean movement, as follows.

A. GBLs and TRs. Except as provided in paragraphs 130105 through 130108, the DFAS-IN Directorate for Transportation Payments pays all transportation accounts

for Departments of the Army, Air Force, Navy, Marine Corps, Defense Logistics Agency (DLA), and the Office of the Secretary of Defense for service within CONUS. This includes combination land and water movements using through rates and through GBLs via coastal and intercoastal routes. The term "GBLs," as used here, means SF 1103, U.S. Government Transit Bill of Lading, original, unless otherwise specified, and DD 1131, Cash Collection Voucher. GBLs must be sent to the Director, DFAS-IN, ATTN: DFAS-IN-TGB, Indianapolis, IN 46249-0611, for payment. See paragraph 130108 concerning payments made by designated disbursing offices outside CONUS.

B. Transportation to or from the United States and Within Designated Overseas Areas. The DFAS-IN Directorate for Transportation Payments pays the following transportation services.

1. From, to, and within Alaska and Canada.
2. From and to Mexico border points by surface transportation.
3. From and to points in Mexico by air, including combination land and ocean movements under through rates and through GBLs.
4. Air transportation service from or to a foreign country, when billed in U.S. currency and procured with the documents indicated here.
5. Transportation services within or between foreign countries when the services are procured on an SF 1169, U.S. Government Transportation Request, or a GBL from a U.S. flag carrier and charges are payable in U.S. currency. See paragraph 130108 concerning payments to be made by designated disbursing offices outside CONUS.
6. Miscellaneous charges such as demurrage, storing, icing, salting, reweighing, switching, drayage, hauling, and so forth, in shipments under GBLs issued in paragraph 130105-A. These bills cover services incident to the line-haul carrier station-to-station movement. They include necessary service to make delivery at consignee's place of business that, if performed by the line-haul carrier at consignee's request, results in an additional charge directly related to the bill of lading charge.

C. Household Goods (HHG) Shipments. Basic rules for determining military and civilian personnel entitlement to move personal property (household goods and unaccompanied baggage) at U.S. Government expense, including privately owned vehicles and mobile homes are in the JTR and the JFTR. When personal property is shipped by commercial carrier, use GBLs, where acceptable, to buy the required services. When civilian employees are being reimbursed for shipments using the commuted rate method, do not use a GBL.

D. Invoices Stated in Canadian Dollars. CONUS finance offices that receive transportation invoices stated in Canadian dollars and payable from appropriated funds must send them with related contracts to the Director, DFAS-IN, Dept 3400, 8899 East 56th Street, Indianapolis, IN 46249-3400, for payment.

E. Government Travel System bills for the Military Entrance Processing Command

130106. Local Payments

A. Miscellaneous charges on shipments on commercial bills of lading. The local disbursing office pays, without purchase order, bills for miscellaneous charges (such as storage, reweighing, local drayage, hauling, etc.) on:

1. Shipments under prepaid commercial bills of lading.
2. Shipments when no line-haul GBL is involved.
3. Delivery charges when services are performed by other than the GBL line-haul carrier or carrier's agent. See paragraphs 130107 and 130108.

B. U.S. Army, Europe (USAREUR) Payments. In USAREUR, the 266th Finance Command (FC) is designated as the local Commercial Accounts Payable office to pay this type service. The 266th FC collects all excess weight charges to move HHG in the USAREUR area of responsibility. This includes all HHG movements from, to, and within the USAREUR area via transportation services procured with approved commercial line-haul rate and service tenders and local drayage service contracts. The 266th FC payments will not include any portion of services rendered through GBL carrier movements between CONUS and foreign countries.

C. Local Expenses Incident to Travel. The disbursing office, at or near the headquarters of the transportation officer in whose area the travel originated, will make payments for toll bridge, ferry, or highway charges.

D. Local Payment of Airlines or Government Travel System. The disbursing office at the installation on which the travel agency that handled the transaction is located, or the accounts payable office at the installation which uses teleticketing equipment to get airline passenger tickets, will make local payments for airline, rail, and bus passenger service.

130107. Payments by Designated Disbursing Offices Outside CONUS. The designated disbursing office in the country where the movement originates will pay Departments of the Army, Navy and Air Force, DLA, and Office of the Secretary of Defense local bills of lading and TRs for services within or between countries outside the United States (including Hawaii). For instructions regarding payments to be made in foreign currencies, see paragraph 130109. See paragraphs 130110 and 130111 respectively for instructions about payments by the Military Sealift Command and civil function disbursing offices of the U.S. Army Corps of Engineers.

130108. Offices Designated to Make Payments. The offices designated for making overseas payments for non-ocean cargo movement are:

A. Europe. The disbursing office designated in the local bills of lading or TRs pays for all transportation services for their parent command except the following:

1. The 26 AFS/RAFFP, Unit 1017, Box 585, APO AE 09094-5585, pays all bills for internal commercial transportation services furnished in Spain.

2. The 26 AFS/RAFFP, Unit 1017, Box 585, APO AE 09094-5585, pays all bills for internal commercial transportation services furnished in the United Kingdom and Norway.

3. The Defense Accounting Office (DAO), Incirlik AB, Building 480, Unit 7055, Box 155, APO 09824-5260, pays all bills for internal commercial transportation services furnished in Turkey.

4. The DAO, 7206 ABG/FMF, APO New York AE 09840, pays all billings for internal commercial transportation services furnished in Greece and Crete.

5. The DAO, Mid East/Africa Project Office, U.S. Army Corps of Engineers, P.O. Box 2250, Winchester, VA 22601-1450, pays all transportation accounts for Saudi Arabia, Egypt, Jordan, Oman, and Kuwait.

B. Hawaii. The DAO designated by the DoD Component to serve the local area pays transportation accounts for Hawaii.

C. The 175th Finance Command, ATTN: Commercial Accounts Branch, APO San Francisco AP 96205, pays all billings for internal commercial.

1. The 69th Finance Battalion, Headquarters, U.S. Army, Japan, APO San Francisco 96343, pays all billings for commercial transportation services, other than local bills of lading, for mainland Japan and Okinawa. Specific services are HHG transportation charges, container rental costs, and bus service performed in Japan and paid in Japan to Japanese contractors.

2. The DAO, 475th ABW, ADSN 668800, APO San Francisco 96328, pays all billings for local bills of lading for foreign-to-foreign travel or shipments in Japan. Specific services are for rail express shipments, line-haul local bills of lading, packing and crating charges, Japanese National Railway meal tickets, commercial taxi charges, and accessorial service charges.

130109. Foreign Currency Payments. If foreign currency is specified, the commander of the area where the currency is indigenous designates the disbursing office to make settlement. When the travel or transportation movement covered by a local bill of lading or TR originates, terminates, or transits countries in which U.S.-owned foreign currencies are excess or near excess to the foreseeable U.S. Government needs, the excess foreign currency is used as much as possible for payments. In the absence of a DoD disbursing office, payments in foreign

currencies are made by routing the billing documents to the appropriate U.S. embassy. If payment is specified in Canadian dollars, the DFAS-Indianapolis Center will settle the account. (See paragraph 130105-D.)

130110. Military Sealift Command (MSC) Payments

A. The MSC disbursing officer serving the area in which the shipment originates pays GBLs, shipping agreements, and contracts for all DoD-sponsored ocean cargo movements, regardless of the DoD Component, except for Army and Air Force Exchange Service cargo.

B. The payment of canal tolls by the disbursing officer of an individual ship is authorized. In most instances, local area commander's instructions or fleet directives, as in the case of the Suez Canal, take precedence and preclude the disbursing officer from making such payments. When a ship is required to make payment, it will be made immediately upon leaving the canal or as soon afterward as the responsible canal commission presents its bills for payment. No payment will be made by the disbursing officer of a ship for passage through the Panama Canal.

130111. U.S. Army Corps of Engineers (USACE) Payments. The USACE finance officer, specially designated by FSN to settle the accounts of the specific project, pays transportation accounts payable from U.S. civil funds (Departmental Code 96).

1302 GOVERNMENT BILLS OF LADING, TRANSPORTATION REQUESTS AND TRANSPORTATION WARRANTS

130201. Government Bills of Lading Payments

A. Original Document. Pay transportation charges 30 days after the original completed GBL reaches the designated billing office. A carrier certification at the bottom of the document must be completed. Do not make payments on other copies except as provided in paragraph 130201-B.

B. Loss of Original Document. When the original GBL has been lost, make payment on the original SF 1105, U.S. Government Freight Waybill, certified on the reverse by the issuing transportation officer. The reverse must have a properly executed delivery certificate identical to that on the face of the original bill of lading. If the original freight waybill also is lost, make payment on a certified true copy of the issuing office's memorandum copy of the SF 1103. The form must be properly certified on the reverse by both the shipper and the carrier.

130202. Notations Required on Government Bills of Lading

A. General. Pay GBLs only when they have prescribed notations and supporting papers.

B. Notification of Improper Preparation. If GBLs do not have the prescribed notation, have incomplete or incorrect notations, or do not have the correct supporting papers, notify the appropriate transportation officer. If no response is received from the transportation officer, inform one of the MTMC regional offices: MTMC Eastern Area, ATTN: MTEOP, Military Ocean Terminal, Bayonne, NJ 07002-5302 or MTMC Western Area, ATTN: MTWOP, Oakland Army Base, Oakland, CA 94626-5000.

130203. Government Bill of Lading Carrier Billing. Carriers must use an original SF 1113, Public Voucher for Transportation Charges, to bill for transportation charges furnished in response to an SF 1103 or SF 1169. The Department of the Army does not stock the SF 1113. Carriers must buy the form from the GSA Regional Center located in their geographical area. Computer generated forms are acceptable, if they have been approved by the GSA.

130204. Appropriations or Funds Chargeable to Transportation Supplies

A. When title to property has passed to the U.S. Government, transportation charges for material shipped from one U.S. Government installation to another are not considered part of the contract expense in buying the material. These charges, known as Second Destination Transportation charges, are an independent obligation arising under the transportation service contract. These expenses are charged to the appropriation current at the time the transportation was performed. If supplies are damaged in shipment, the installation, which shipped the merchandise, pays for the repairs.

B. Base Exchange Supplies. Charge payments for transporting supplies for Army and Air Force Exchange Service exchanges to the U.S. Army and U.S. Air Force Exchange Fund.

C. Procurement And Delivery In Different Fiscal Years. When supplies are bought for use at a distant station but are to be delivered to the U.S. Government free-on-board (FOB) at the place of manufacture, and their transportation is not ordered nor accomplished until the next fiscal year, the transportation contract is separate from the purchase contract. Accordingly, charge the transportation cost to the funds that are current when the service is performed.

130205. Savings in Government Bill of Lading Freight Charges. Shipment to the designated destination from a point nearer than the FOB point does not entitle the contractor to the savings in freight charges over what the U.S. Government would have paid if shipment had been from the FOB point. This is true even though the supplies cost the contractor more at the shipping point than they would have cost at the FOB point.

130206. Premium Government Bills of Lading Transportation. When the contractor requests premium transportation at a greater cost than the lowest available to the U.S. Government, and the contractor has agreed in writing to reimburse the U.S. Government for the excess costs, the origin transportation officer will inform the disbursing office by letter. The letter must cite, in addition to the cause for the excess costs, the number of GBLs involved and the name and address of the contractor requesting the premium transportation. The original

request from the contractor for premium transportation must be attached to the letter. The office that pays the carrier for the transportation charges computes the excess cost and takes collection action.

130207. General Services Administration (GSA) Claims. When a contract requires the contractor to deliver at an FOB point and allows the U.S. Government to direct delivery to other points, with an increase or decrease in the amount and cost of the freight, do not make the adjustment if the contractor refuses to accept payment on the usual basis. If the contractor contends that transportation expenses have been paid, which the U.S. Government was obligated to pay, or that the deduction made from freight paid by the U.S. Government is excessive, send the case to the GSA, ATTN: BWAA-C, Washington, DC 20405, for direct settlement as a claim.

130208. Payment Procedures for Government Transportation Requests

A. Notations Required On Transportation Requests (TRs)

1. Make payment only when the TR has the proper notations and the correct supporting papers are attached.

2. When TRs do not have the prescribed notations, have incomplete or incorrect notations, or lack the required documents, notify the MTMC, ATTN: OP-Q, Washington, DC 20315.

B. Improperly Furnished Transportation. If it appears that the issuing officer improperly furnished transportation, the disbursing office pays the carrier or contractor for the service actually rendered. After payment, the disbursing office personnel will ask the issuing officer for the authority upon which such transportation was furnished.

C. Personal Documents Lost or Destroyed. If passengers lose or destroy their SF 1169, they should buy necessary transportation with personal funds or be issued a cost-charge SF 1169 in order to complete the mission. Passengers may then file a claim for reimbursement.

D. Requests to MTMC. Installation disbursing offices send all requests about passenger rate quotations to the MTMC, ATTN: MTOP-TMP, Falls Church, VA 22041-5050. Forward all requests for claims information to the MTMC, ATTN: MTOP-Q, Falls Church, VA 22041-5050.

130209. Refunds on Overpayment of Transportation Costs

A. Checks received for refunds on tickets acquired under a TR issued to a Commercial Travel Office or other authorized travel agents are processed locally as a collection.

B. Checks received as refunds on other TRs or GBLs are coordinated with the travel office and forwarded by cover letter without deposit action by the disbursing office with all the pertinent information or documents to the DFAS-IN Directorate for Transportation Payments. If the payee of the check is the local transportation management office or the local

disbursing office, the designated office must deposit the check. A cross disbursement would be processed to pass the credit to the DFAS-IN. In addition, if the transportation cost were purchased under the Government Transportation System, the refund must be sent to the credit card contractor.

130210. Transportation Warrants

A. The Department has authorized the issuance of Military Emergency Travel Warrant (METW) during any mobilization of the Individual Ready Reserve, certain retired military members, standby reserve and, when practicable, Individual Mobilization Augmentees for active duty in the Armed Forces under Title 10, United States Code. The METW may be issued in automated form as part of a mobilization order processed by a public communications carrier or as a pre-printed form DD Form 2399 through direct mail with an accompanying order from the respective Military Service. The carrier will be instructed to forward its billings and a copy of the warrant, signed by the traveler, to the DFAS-IN Directorate for Transportation Payments.

B. The GSA has authorized overseas activities to use transportation warrants within their host country. The forms for these warrants are developed by the overseas activity and payments are made by their designated disbursing office.