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TRANSPORTATION COSTS AS A CONSIDERATION IN AIR FORCE CONTRACTS

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New #11153

10 March 1979

Final Report for Period 15 August 1978--30 April 1979

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Prepared for

AIR FORCE BUSINESS RESEARCH MANAGEMENT CENTER
Wright--Patterson Air Force Base, Ohio 45433

HEADQUARTERS AIR FORCE LOGISTICS COMMAND
Wright--Patterson Air Force Base, Ohio 45433

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SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle) (6) TRANSPORTATION COSTS AS A CONSIDERATION IN AIR FORCE CONTRACTS,		5. TYPE OF REPORT & PERIOD COVERED Final rept 78Aug 15 to 79Apr 30
		6. PERFORMING ORG. REPORT NUMBER
7. AUTHOR(s) (10) James R. Stock (12) 161 P.		8. CONTRACT OR GRANT NUMBER(s) (15) F33615-78-C-5200
9. PERFORMING ORGANIZATION NAME AND ADDRESS University of Notre Dame Department of Marketing College of Business Administration Notre Dame, Indiana 46556		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS (11) 10 Mar 79
11. CONTROLLING OFFICE NAME AND ADDRESS AIR FORCE BUSINESS RESEARCH MANAGEMENT CENTER Wright-Patterson Air Force Base, Ohio 45433		12. REPORT DATE 79Mar 10 13. NUMBER OF PAGES 153
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office) HEADQUARTERS AIR FORCE LOGISTICS COMMAND Wright-Patterson Air Force Base, Ohio 45433		15. SECURITY CLASS. (of this report) Unclassified 15a. DECLASSIFICATION/DOWNGRADING SCHEDULE

16. DISTRIBUTION STATEMENT (of this Report)

DISTRIBUTION STATEMENT A
Approved for public release;
Distribution Unlimited

17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)

(9) Final rept 15 Aug 78 - 30 Apr 79,

18. SUPPLEMENTARY NOTES

19. KEY WORDS (Continue on reverse side if necessary and identify by block number)

TRANSPORTATION COSTS
F.O.B. ORIGIN
F.O.B. DESTINATION

20. ABSTRACT (Continue on reverse side if necessary and identify by block number)

Basically, the transportation decision is a financial decision coupled with the service constraints (priority and sensitivity) of the item(s) being transported. With this understanding, the scope of the research study was determined to include: the identification of relevant transportation costs involved in Government-sponsored and/or contractor-sponsored carriage; the development of a methodology for identifying and evaluating F.O.B. origin versus F.O.B. destination alternatives; and to determine the feasibility of applying economic criteria to the transportation decision. → (over)

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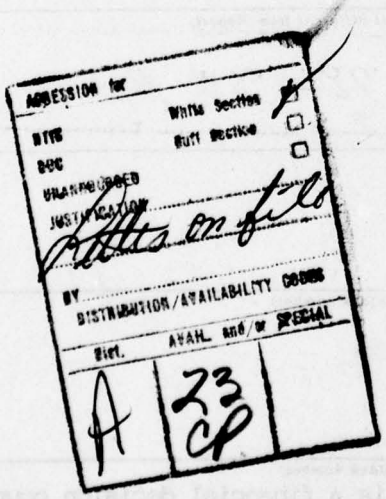
Unclassified 411153

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

89 04 25 050

Assuming various environments to test the sensitivity of the estimate of the cost components of the F.O.B. terms of shipment decision, several conclusions were reached: (1) A signigicant number of Air Force contracts could be awarded F.O.B. origin in lieu of F.O.B. destination; (2) The basic cost components which must be considered when comparing F.O.B. origin and F.O.B. destination terms of shipment include carrier rates, transportation administration expense, claims administration expense, contractor surcharge and destination change (ASI) costs; and (3) Significant dollar savings might be involved in utilizing F.O.B. origin terms of shipment in lieu of F.O.B. destination terms. A methodology was proposed for evaluating the F.O.B. terms of shipment decision and a recommendation made to award contracts under F.O.B. origin terms whenever possible.



SUMMARY

Transportation costs account for a substantial portion of the distribution budget. It is imperative that these costs be understood and controlled. Many transportation decisions are made by the contractor under F.O.B. destination contracts versus those the Air Force makes under F.O.B. origin contracts. For those shipments made by the contracting firm, additional costs of the contractor's overhead/burden, administrative costs and profits are added on to the transportation costs.

Basically, the transportation decision is a financial decision coupled with the service constraints (priority and sensitivity) of the item(s) being transported. With this understanding the scope of the research study was determined to include: the identification of relevant transportation costs involved in Government-sponsored and/or contractor-sponsored carriage; the development of a methodology for identifying and evaluating F.O.B. origin versus F.O.B. destination alternatives; and, to determine the feasibility of applying economic criteria to the transportation decision.

The research methodology involved personal interviews with various Government and civilian personnel in the contracting and transportation areas and a review of available secondary information sources. Four research questions were examined:

1. What cost elements should the Air Force consider when making the decision to select either F.O.B. origin or F.O.B. destination?

2. When should the Air Force solicit both F.O.B. origin and /or F.O.B. destination?

3. When should the Air Force assume the transportaton administration function required under F.O.B. origin terms?

4. What factors, in addition to transportation costs, should the Air Force consider when making the choice between F.O.B. origin and F.O.B. destination bids?

The results of the research effort identified some changes in the ASPR which were needed to facilitate the F.O.B. terms of shipment decision. The changes recommended were minimal and involved modifications that would require solicitation of contract bids on both an F.O.B. origin and F.O.B. destination basis.

Various cost components of the F.O.B. terms of shipment decision which varied with the terms selected were identified. Those components which did not vary were not investigated because they would have had no bearing on the terms of shipment selected. For F.O.B. origin terms, Section 22 rates, transportation administration expense and added claims administration expense were identified and isolated. The relevant costs

for F.O.B. destination terms included the regular commercial carrier rates, contractor surcharge (profit or fee), transportation administration expense and destination change (ASI) costs.

Assuming various environments to test the sensitivity of the estimates of the cost components of the F.O.B. terms of shipment decision, the following conclusions were reached:

1. A significant number of contracts could be awarded F.O.B. origin in lieu of F.O.B. destination.

2. Explicit F.O.B. terms of shipment data does not presently exist in the Air Force under present operating systems.

3. The basic cost components which must be considered when comparing F.O.B. origin and F.O.B. destination terms of shipment include carrier rates (Section 22 versus regular commercial), transportation administration expense, claims administration expense, contractor surcharge (profit or fee), and destination change (ASI) costs.

4. An important component of FDT costs--ASI's--is presently not being adequately considered in the F.O.B. terms of shipment decision. Particularly for small dollar shipments, costs for ASI's can be a significant portion of total transportation costs.

5. When Section 22 rates apply, F.O.B. origin terms of shipment were most beneficial to the Government whatever the size of the shipment.

6. If Section 22 rates did not apply (or if they were eliminated under future deregulation of the transportation industry), F.O.B. origin terms of shipment were most beneficial to the Government whatever the size of the shipment.

7. Although more specific data are needed, it was found that significant dollar savings might be involved in utilizing F.O.B. origin terms of shipment in lieu of F.O.B. destination terms.

8. At most ALC's, the transportation personnel are not presently being utilized most efficiently by the PCO's and ACO's.

Based on the preceding conclusions, the research study proposed several recommendations including:

1. Consider the possible revision of the ASPR so as to require both F.O.B. destination quotations on bid solicitations.

2. Solicit F.O.B. origin and F.O.B. destination bids on all contracts which may be shipped via origin or destination terms of shipment.

3. Until more specific information becomes available, award contracts on F.O.B. origin terms whenever possible.

4. At a selected ALC institute a pilot program when F.O.B. origin versus F.O.B. destination cost differentials can be compared. Such a program could encompass all contracts which could be shipped F.O.B. origin in lieu of F.O.B. destination over a period of at least three months.

5. To maximize the interface (and understanding) between the contracting and transportation functions, a transportation specialist should be stationed; on a rotating basis over a 3 to 6 month period; on-site in the office of the PCO (this is similar to the program that presently exists at the Ogden ALC).

As a final result of the research study, a methodology was proposed for evaluating the F.O.B. terms of shipment decision.

TABLE OF CONTENTS

page

I. INTRODUCTION

A. Scope of the Problem.....1

B. Background.....1

C. Scope of the Study.....2

D. Major Assumptions Made in the Research Study.....2

E. Research Questions.....4

II. METHODOLOGY

A. Literature Review.....4

B. Data Collection.....4

III. FINDINGS

A. Air Force Transportation Regulations.....5

B. F.O.B. Origin Versus F.O.B. Destination.....7

IV. CONCLUSIONS AND RECOMMENDATIONS

A. F.O.B. Origin Versus F.O.B. Destination.....21

B. Methodology for Evaluating the F.O.B. Terms of Shipment Decision.....26

V. BIBLIOGRAPHY.....30

page

VI. APPENDIX

A. Data Collection Schedule.....31

B. Flow Chart of F.O.B. Origin/Destination Decision.....32

C. Transportation Cost Factors.....33

D. Cost for Processing Amended Shipping Instructions.....37

E. FDT Program Flow.....42

F. Contract Clauses and Solicitation Provisions for F.O.B. Origin/Destination (ASPR 7-104.70/7-104.71).....43

G. Procurement Forms (DD Form 1653 and 1654 and DAC 76-17).....44

H. AFM 75-2 (Military Traffic Management Regulation)-- Chapters 102, 103, 104, 214, and 227.....49

I. ASPR XIX.....114

J. Cost or Pricing Data in Negotiated Contracts (DD Form 633 and DAC 76-16).....137

K. Report of Individual Contract Profit Plan (DD Form 1499 and DAC 76-10).....147

VII. LIST OF ABBREVIATIONS, ACRONYMS, AND SYMBOLS.....153

TRANSPORTATION COSTS AS A CONSIDERATION IN AIR FORCE CONTRACTS

I. INTRODUCTION

A. Scope of the Problem

Transportation costs account for a substantial portion of the distribution budget of any organization. It is imperative therefore, that these costs be understood and controlled. Like many business organizations, the United States Air Force faces problems of mode and carrier selection, routing and scheduling, rate determination, and many others. For an organization such as the U.S. Air Force, these problems are compounded by the multiplicity of commodities, shipping/receiving locations, sensitivity of the item, priority of need, etc.

Many transportation decisions are made by the shipper (contractor) under F.O.B. destination contracts versus those the U.S. Air Force (purchaser) makes under F.O.B. origin terms of a contract. For those shipments made by the contracting firm, additional costs of the contractor's overhead/burden, administrative costs and profits are added on to the transportation costs. A method is needed by the U.S. Air Force to assess the economic impact of these fringe costs tacked on to the transportation costs, prior to the award of procurements, so that a determination can be made as to whether the Government could provide the transportation of the item(s) at a lower cost than that proposed by the bidder. In actuality, the decision becomes one of whether or not the U.S. Air Force should accept the F.O.B. origin bid on the one hand or the F.O.B. destination (delivered) bid on the other. It was this basic question that this study attempted to answer.

B. Background

As stated in the USAF First Destination Transportation Study, 6 October 1977, conducted by AFSC/LG/AC and AFLC/LO/AC:

> When the F.O.B. destination method of transportation is selected by the PCO, ASPR 7-104,71 clause is included in the contract. Under this type of contract, the contractor is responsible for the transportation costs and passes these costs on as a part of the purchase price of the item. Total contract costs are paid from program funds and transportation costs are not separately identified. Although the government ultimately pays for the transportation, FDT expenditures are not involved as a specific cost. Therefore, FDT charges cannot be extrapolated and the annual magnitude cannot be stated or estimated.

It was the uncertainty surrounding the costing aspects of the F.O.B. destination decision that prompted AFLC to request that the Air Force

Business Research Management Center (AFBRMC) investigate transportation costs as a consideration in government contracts. It was recognized by AFLC and AFBRMC that the intent of ASPR 19-100 could not be fully complied with without further information. ASPR 19-100 states that "Transportation and traffic management factors are important in awarding and administering contracts to assure that procurements are made on the basis most advantageous to the Government, all factors considered, and that supplies arrive on time, at the required place, in good condition." Obviously, "all factors considered" must incorporate a thorough knowledge of the cost implications that the F.O.B. terms-of-sale have on the Government.

C. Scope of the Study

Basically, the transportation decision is a financial decision coupled with the service constraints (priority and sensitivity) of the item(s) being transported. Service has not been incorporated within this research study because it may override the financial considerations of the transportation decision. For example, a high priority item or one of Top Secret classification may be shipped by LOGAIR or commercial air freight, regardless of the cost, because of the nature of the shipment. Consideration of the service element can never be ignored in the transportation decision, but this research will assume that service constraints are such that they will not affect the transportation decision; i.e., service will be held constant.

The research study was a basic fact-finding mission which was to result in the identification of relevant transportation costs involved in Government-sponsored and contractor-sponsored carriage. In that regard, the study has been successful. Identification of those costs was necessary in order to make the F.O.B. origin/destination decision.

Another purpose of the research was to develop a methodology for identifying and evaluating F.O.B. origin versus F.O.B. destination alternatives. Collection of the relevant data was to have developed a better awareness of the transportation cost problem. Again, the study was successful in that regard.

Finally, the study was to determine the feasibility of applying economic criteria to the transportation decision; e.g., F.O.B. origin versus F.O.B. destination. Given the assumptions outlined in the next section, the research study was successful in applying economic criteria to the transportation decision.

D. Major Assumptions Made in the Research Study

Whenever "new" ground is broken in research, the researcher must make a number of assumptions. Those assumptions should be consistent,

logical and operationally sound. They must also be realistic and should not compromise the conclusions and recommendations formulated by the researcher. In this research study, the following assumptions have been made:

1. The recommendations of this study can be implemented within the authority and scope of the Air Force regulations and directives.

2. Foreign military sales (FMS) are excluded from consideration.

3. The Air Force has full authority to direct contractors to bid F.O.B. origin and/or F.O.B. destination on all contracts not expressly prohibited under existing regulations and directives.

4. Because of a lack of reporting formulae for contracts under $100,000, it is assumed that a contractor's percentage surcharge (profit or fee) would be the same, regardless of the size of the contract.

5. The surcharge (profit of fee) added by a contractor to the overall contract would be equally applied over every component of that contract (based on the belief that each component must contribute proportionately to the contractor's ROI requirements or internal "hurdle rate").

6. Transportation administration costs are assumed to remain constant regardless of the size of the shipment.

7. F.O.B. origin shipments involve additional claims administration expense over that incurred on F.O.B. destination shipments.

8. On all F.O.B. origin shipments Section 22 rates have applied whenever appropriate.

9. In contracts extending over long periods of time, destination changes may occur. The resulting ASI's involve additional costs to the Government. The computations made in this study do not include the cost for ASI's on F.O.B. destination contracts, but it should be realized that these costs are FDT costs and must be considered.

10. The greatest majority of contracts would involve only one freight bill (commercial bill of lading or GB/L).

E. Research Questions

Basically, the U.S. Air Force is faced with a multi-faceted decision which includes the following:

1. What cost elements should the Air Force consider when making the decision to select either F.O.B. origin or F.O.B. destination?

2. When should the Air Force solicit both F.O.B. origin and/or F.O.B. destination bids?

3. When should the Air Force assume the transportation administration function required under F.O.B. origin terms?

4. What factors, in addition to transportation costs, should the Air Force consider when making the choice between F.O.B. origin and F.O.B. destination bids?

II. METHODOLOGY

A. Literature Review

The relevant Air Force and DOD regulations and directives were reviewed to ascertain the existing contract procurement procedures and determine the process involved in the F.O.B. origin/destination decision. In addition, any previous government studies on FDT or F.O.B. terms of shipment were reviewed. Copies of all relevant military materials were provided by AFBRMC. Selected trade and industry sources were reviewed when data was not available in existing government sources.

B. Data Collection

Two data collection procedures were employed in this research study--personal interviews and review of secondary information sources. The personal interviews involved four basic groups involved in the F.O.B. origin/destination decision: (1) AFLC; (2)ALC's (Ogden, Warner Robins); (3) AFPRO's and/or DCAS's; and (4) private contractors or industry representatives. Primary military contacts included personnel involved in the contract procurement and administration function and personnel in the transportation area. Individuals contacted in private industry included persons in the traffic and transportation areas as well as those involved in general logistics or physical distribution activities. The personal interviews provided much of the data used in this research study that was not or could not be readily obtained from existing

government data sources.

Secondary information sources cited included previous government studies of the transportation or contract procurement functions. Basically, they familiarized the researcher with current Air Force policies and procedures. A large number of past Air Force contracts were reviewed in order to develop the cost components of the F.O.B. origin/destination decision. As part of the contract review process 268 DD Form 1499's were audited (FY 1978) to determine the contractor surcharge (profit or fee) added onto a typical Air Force contract. Audits of several TARS reports were performed to determine the rate differential that existed between Section 22 and regular commercial carrier rates.

Miscellaneous non-government information sources were also reviewed to obtain cost figures for certain components of the F.O.B. origin/destination decision including transportation administration expenses, claims administration expenses, and other relevant costing data. A complete chronology of the data collection process is shown in Appendix A.

III. FINDINGS

A. Air Force Transportation Regulations

The primary Air Force regulation governing the administration of the transportation activity in contract procurement is ASPR 19. As presently written, the ASPR identifies the circumstances which govern F.O.B. origin versus F.O.B. destination terms. A review of the ASPR shows no major difficulties inherent in the procedures specified for selecting between F.O.B. origin and F.O.B. destination. There are, however, several minor deficiencies in the ASPR which make it difficult for the Transportation Officer and Contracting Officer to monitor, control and administer the F.O.B. term decision as effectively as possible. As presently written, F.O.B. destination transportation charges for contractual shipments are incorporated within the negotiated unit price or total price of the contract. Precise identification of those costs are presently impossible under existing ASPR regulations.

Four modifications in ASPR 19 are recommended. The changes specified are aimed at providing a sound base for making optimal transportation costing decisions with respect to the F.O.B. terms of shipment. In addition, the changes recommended would facilitate the future monitoring and collection of data necessary in making the most cost effective F.O.B. terms decision. In that regard, the following changes are proposed:

1. CHANGE NO. 1--ASPR 19-104.2 (b)

   a. Present regulation:

   19-104.2 (b) Solicitations shall specify

whether offerors must submit offers on (i) or (ii) below or *both, or may allow offerors to* choose the basis on which they will make an offer. (See 19-208) Procurement shall be on the basis of whichever of the following is more advantageous to the Government:

(i) f.o.b. carrier's equipment, wharf, or freight station (at the Government's option) at a specified city or shipping point at or near contractor's plant (f.o.b. origin); or,

(ii) f.o.b. destination. (When the supplies are destined for ultimate delivery overseas, the destination shall be a CONUS port area or temporary storage or holding area (see 19-213).)

b. Proposed regulation:

19-104.2 (b) Solicitations shall specify that offerors must submit offers on (i) and (ii) below. (See 19-208) Procurement shall be on the basis of whichever of the following is more advantageous to the Government:

(i) f.o.b. carrier's equipment, wharf, or freight station (at the Government's option) at a specified city or shipping point at or near contractor's plant (f.o.b. origin); or,

(ii) f.o.b. destination. (When the supplies are destined for ultimate delivery overseas, the destination shall be a CONUS port area or temporary storage or holding area (see 19-213).)

2. CHANGE NO. 2--ASPR 19-104.2 (d)(1)(vi)

a. Present regulation:

19-104.2 (d)(1)(vi) when evaluation of offers on an f.o.b. origin basis *is anticipated* to result in increased administrative lead time or administrative costs which outweigh the potential advantages of an f.o.b. origin determination.

b. Proposed regulation:

19-104.2 (d)(1)(vi) when evaluation of offers on an f.o.b. origin basis can be documented to result in increased administrative lead time or

administrative costs which outweigh the potential advantages of an f.o.b. origin determination. In such a case, the contracting office shall notify the Transportation Officer.

3. CHANGE NO. 3--ASPR 19-208.1 (a)

a. Present regulation:

19-208.1 (a) Solicitations in which bids or offers may be submitted both f.o.b. origin or f.o.b. destination in accordance with 19-104.2 (b), shall include so much of the information required by 19-208.2, 19-208.3 and 19-211 as is pertinent to the particular procurement. They shall provide that bids or proposals may be submitted on either or both bases, and they will be evaluated on the basis of the lowest overall cost to the Government.

b. Proposed regulation:

19-208.1 (a) Solicitations which include f.o.b. origin and f.o.b. destination in accordance with 19-104.2 (b), shall include so much of the information required by 19-208.2, 19-208.3 and 19-211 as is pertinent to the particular procurement. They shall provide that bids or proposals must be submitted on both bases, and they will be evaluated on the basis of the lowest overall cost to the Government.

4. CHANGE NO. 4--ASPR 19-208.4 (c)

a. Present regulation: NONE

b. Proposed regulation:

19-208.4 (c) When the exact destination of the supplies to be purchased may reasonably be expected to change or the delivery date of the supplies is greater than two (2) years from the date of the solicitation, f.o.b. origin bids only will be requested. ASI charges make destination changes prohibitive, especially for small, low value items.

B. F.O.B. Origin Versus F.O.B. Destination

Using FY 1976 data, the annual FDT expenditures for F.O.B. origin totalled $20.7 million for AFSC and AFLC. Total expenditures (budgeted) for all Air Force Research Development Test and Evaluation (RDT&E) and procurement funding was $11.4 billion. While the percentage of F.O.B. origin shipments is small, the dollar amount is significant.

In analyzing the F.O.B. terms of shipment decision, the various cost components of F.O.B. origin and F.O.B. destination had to be identified.

Specifically, those components had to be isolated which would change as the F.O.B. terms of shipment changed. The components which did not vary with the terms of shipment; e.g., insurance, loss and/or damage; were not evaluated in this research study. The cost components identified which varied between F.O.B. origin versus F.O.B. destination, and therefore important in the terms of shipment decision, were as follows:

F.O.B. Origin	F.O.B. Destination
Section 22 rates	Regular commercial carrier rates
Transportation administration expense	Contractor surcharge (profit or fee)
Added Claims administration expense	Transportation administration expense
	Destination change (ASI) costs

Basically, the research study involved the specific identification or estimation of those costs and a subsequent comparison of the total costs involved in F.O.B. origin versus F.O.B. destination shipments. With other factors such as service and sensitivity being held constant, the optimal decision for the Air Force would be selecting the alternative of least cost.

TRANSPORTATION COSTS

The first component of the terms of shipment decision, and the largest, was the transportation rate. As identified in the ASPR, the Government can ship its products under Section 22 rates which are considerably lower than regular commercial carrier rates. Without Section 22 rates, most Government shipments would have to be moved at class rates which are higher in cost and which require extensive material classification, thus, consuming considerable amounts of time and greater Government expenditures for transportation.

In this research study, it was assumed that the great majority of F.O.B. destination shipments were not being shipped under Section 22 rates, while F.O.B. origin shipments used, almost exclusively, the lower Section 22 rates. There was some uncertainty as to whether this assumption was completely valid; and, as it turned out, the final terms of shipment decision was not determined by the presence or absence or Section 22 rates.

As shown in TABLE 1, the Section 22 rates are substantially lower than regular commercial motor carrier rates. While Section 22 rates can apply to other modes in addition to motor, the majority of Air Force shipments are sent via motor carriage, and it was believed that similar findings would be generated if other modal rates were used.

Available TARS reports were used to identify the Section 22 rates in effect. The motor carrier rates for Class 100 commodities were selected for comparison. Rates between the five ALC's and WPAFB were developed, and average rates were calculated. The Section 22 rates and commercial motor carrier rates differed by 17.6 percent to 25.6 percent. In every instance, Section 22 rates were lower (or identical when very small shipments were involved).

TABLE 1. COMPARISON OF SECTION 22 AND COMMERCIAL MOTOR CARRIER RATES

FREIGHT ALL KINDS (FAK)

1. Oklahoma City ALC to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	14.38	14.38
500	13.75	9.69
1000	13.06	9.69
2000	11.49	7.52
5000	9.29	5.68
10000	8.61	4.26
Volume	8.39	4.26

2. Ogden ALC to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	21.68	14.45
500	19.46	14.11
1000	16.86	13.62
2000	14.58	12.99
5000	12.80	12.76
10000	12.34	12.76
Volume	13.10	12.76

3. San Antonio ALC to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	16.96	16.96
500	16.18	11.40
1000	15.39	10.85
2000	13.65	8.99
5000	11.06	6.87
10000	10.25	5.74
Volume	10.07	4.99

4. Sacramento ALC to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	26.77	16.99
500	24.13	16.60
1000	21.69	16.11
2000	18.76	15.35
5000	17.20	15.06
10000	16.62	15.06
Volume	16.28	15.06

5. Warner Robins ALC to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	13.47	N.A.*
500	11.13	N.A.
1000	9.24	N.A.
2000	8.20	N.A.
5000	6.25	N.A.
10000	5.74	N.A.
Volume	6.30	N.A.

6. Average of all ALC's to WPAFB

Weight (LBS.)	Commercial Rate (per cwt)	Section 22 Rate (per cwt)
1	18.65	15.25
500	16.93	12.59
1000	15.25	11.90
2000	13.34	10.61
5000	11.32	9.32
10000	10.62	8.74
Volume	10.83	8.67

* Not Available

TRANSPORTATION ADMINISTRATION COSTS

The second component of the F.O.B. terms of shipment decision was transportation administration expense. If the Air Force were to assume the transportation administration function required with F.O.B. origin shipments, additional costs would be incurred. The only Government data available on transportation administration costs is presented in Appendix C. The $50.00 cost shown in Appendix C was not used in the F.O.B. terms of shipment comparison. The amount was considerably higher than the other cost figures that were developed. Further, no evidence could be located concerning the validity of the $50.00 figure. In TABLE 2, the costs used to determine an average transportation administration cost are presented. The majority of the figures shown were developed from interviews with distribution and transportation executives in private industry. The smallest of the figures for freight bill costs were developed from companies where automated systems were being used to develop, process and administer the transportation activities of the companies. Where manual systems were being used, the costs were somewhat higher. If the Air Force assumed the administration function, their costs would vary between the extreme points with eventual reductions in costs as the process became computerized.

CLAIMS ADMINISTRATION COSTS

The final component relevant to F.O.B. origin shipments was claims administration expense. There are costs involved in processing and administering claims under F.O.B. origin and F.O.B. destination shipments. The degree of Air Force involvement in the handling of the claim is limited, however, when loss and/or damage occurs under an F.O.B. destination shipment. Under F.O.B. destination shipments, the carrier and the contractor would administer and process the claim. Under F.O.B. origin shipments, the Air Force would assume the contractor's responsibility and work with the carrier to handle the claim. In each instance, additional costs would be incurred by the Air Force. From a variety of industry sources, a one (1) percent of motor carrier cost figure was developed. The sensitivity of the 1 percent figure was tested in the final F.O.B. origin versus F.O.B. destination decision and it was found that the decision would not be affected even with significant variations (± 100%) in the claims administration percentage.

CONTRACTOR SURCHARGE

A significant cost component of F.O.B. destination shipments is contractor surcharge (profit or fee). The exact percentage employed by contractors on F.O.B. destination contracts was somewhat elusive. For contracts under $100,000 no data were available. For contracts over $100,000 the DD Form 633, and for contracts over $500,000 the DD Form 1499 were used to develop the contractor surcharge (profit or fee). It was assumed that contractors would add the same surcharge

TABLE 2. ADMINISTRATIVE COSTS FOR TRANSPORTATION ACTIVITY

Source	Cost per Freight Bill* Military	Commercial
Appendix C	$50.00	
GSA	15.58	$ 7.61
Appliance Mftg.		2.39
Food Mftg.		16.50
Pharmaceutical Mftg.		2.14
American Trucking Assoc.		5.80 (estimated)

*Includes labor, EDP, communications and other miscellaneous costs.

RANGE = $2.14 to $16.50

MEAN = $9.67

to contracts under $100,000. The interviews with two government contractors tended to support this assumption. The logic for this assumption was based on the fact that the ROI requirements would not vary by contract size, and therefore, the contractor would require a certain ROI on all contracts--commercial or military. In addition, while there are many more contracts under $100,000 than over $100,000, the total dollar value of contracts over $100,000 is much greater. This result is an example of the 20/80 rule in inventory management (20 percent of your products account for 80 percent of your volume or sales).

The information provided on the DD Form 633 and DD Form 1499 is essentially the same except for the fact that DD Form 1499 reports the final negotiated contractor surcharge (profit or fee) which may be different than the initial contractor bid or Government stated objective. The surcharge that is important is the final figure arrived at after negotiation, not before, because it represents what the Government must pay the contractor. Another difference between the DD Form 1499 and DD Form 633 is that the former is completed only on contracts larger than $500,000. The DD Form 1499 was selected for audit in this research study because of its availability at AFLC. As per ASPR 21-304, each ALC must submit the DD Form 1499 to AFLC. It was therefore possible to examine F.O.B. destination contracts from all five ALC's rather than one or a few. DD Form 633 is not submitted to AFLC and remains with the contract file. Also, the final negotiated surcharge is not identified on the DD Form 633.

An audit of 268 DD Form 1499's was made at WPAFB. The audit included forms submitted from FY 1978. The range of surcharges was .999 percent to 15.1458 percent (See TABLE 3). The average contractor surcharge was 8.56 percent. The minimum, maximum and average figures were subsequently used in the determination of the optimal F.O.B. terms of shipment decision.

As identified on the DD Form 633 and DD Form 1499, the contractor includes as part of his bid "general and administrative expenses" and "other expenses". Although not specifically identified, the contractor's transportation administration activities would most probably be included in one or the other of the two cost categories just mentioned. In this research study the transportation administration expense of the contractor was assumed to equal that of the Government and the cost figures from TABLE 2 were used. The overhead/burden added by the contractor was estimated to approximate the surcharge from TABLE 3. Therefore, the surcharge figures in TABLE 4 were applied to the motor carrier cost and the transportation administrative cost.

DESTINATION CHANGE COSTS

The final component of F.O.B. destination shipments was the cost involved in making destination changes (ASI's). This is an important FDT cost which is not explicitly considered in many F.O.B. terms of shipment evaluations. It can, however, be a significant cost factor

TABLE 3. SUMMARY OF PROFIT OR FEE ADDED BY CONTRACTORS ON CONTRACTS LARGER THAN $500,000 AUDIT OF DD FORM 1499 (FY 1978)

Number of Forms Audited = 268

RANGE = .9999 percent to 15.1458 percent

MEAN = 8.56 percent

Total Cost	Total Profit	Average Percent Profit
$1,321,305,859	$113,190,743	8.56 percent

with some shipments. Appendix D shows the costs involved in ASI's for the San Antonio ALC. For each ASI some contractors have charged as much as $150.00 and as little as $6.00. Some contractors do not charge for ASI's. It is apparent that for small dollar contracts this charge could completely alter the F.O.B. terms of shipment decision. In this research study it was not possible to identify the number of ASI's processed on F.O.B. destination contracts, nor the number of contracts involving ASI's. Therefore, the costs for processing ASI's were not incorporated in the final F.O.B. terms of shipment computations. It should be remembered, however, that the cost for ASI's should be considered in the F.O.B. terms of shipment decision. These costs are especially important in small dollar contracts.

ECONOMIC COMPARISON OF F.O.B. ORIGIN VERSUS F.O.B. DESTINATION

After having identified and determined the cost components of the F.O.B. terms of shipment decision, it was necessary to make a direct comparison between F.O.B. origin and F.O.B. destination. TABLES 4 and 5 show the results of those comparisons. In TABLE 4, Section 22 rates were used in comparing F.O.B. terms of shipment. In TABLE 5, Section 22 rates were not used. The rationale for the two comparisons was based on the possibility that Section 22 rates may be eliminated within the near future as deregulation of the transportation industry occurs.

A variety of comparisons were made based on shipment size (in pounds). Three possible environments were hypothesized: (1) most optimistic; (2) most pessimistic; and, (3) most probable. In the most optimistic environment, the lowest cost figures for transportation administration costs, claims administration costs and contractor surcharge (profit or fees) were used. In the most pessimistic environment, the highest figures for each cost component were used. And, in the most probable environment, the averages of each component were used. It was felt that utilizing the minimum, maximum, and average costs for each component would provide comparative statistics for all possibilities. This rationale was employed with and without Section 22 rates in effect.

An economic comparison of F.O.B. origin versus F.O.B. destination with Section 22 rates in effect revealed that in each of the three environments, F.O.B. origin terms were most beneficial to the Government, regardless of shipment size. Without Section 22 rates in effect, F.O.B. origin terms were most beneficial to the Government, regardless of the size of the shipment. Specific exceptions would include those shipments that would normally be sent via Parcel Post or United Parcel Service. Generally, as the size of the shipment is increased, F.O.B. origin terms resulted in larger dollar savings to the Government.

In order to determine the magnitude of potential cost savings to the Air Force if contracts for FY 1977 had been F.O.B. origin in lieu of F.O.B. destination (whenever possible), the Ogden ALC was

TABLE 4. OVERALL ECONOMIC COMPARISON OF F.O.B. ORIGIN/DESTINATION SHIPMENTS (WITH SECTION 22 RATES IN EFFECT)

Most Optimistic

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	15.25	2.14	.15	-	17.54
500	62.95	2.14	.63	-	65.72
1000	119.00	2.14	1.19	-	122.33
2000	212.20	2.14	2.12	-	216.46
5000	466.00	2.14	4.66	-	472.80
10000	874.00	2.14	8.74	-	884.88
Volume (15000)	1300.50	2.14	13.01	-	1315.65

[1]For F.O.B. origin shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]The lowest administrative cost from TABLE 2 was used.

[3]Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4]Contractor surcharge does not apply on F.O.B. origin shipments.

F.O.B. DESTINATION

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	2.14	-	.21	21.00
500	84.65	2.14	-	.87	87.66
1000	152.50	2.14	-	1.55	156.19
2000	266.80	2.14	-	2.69	271.63
5000	566.00	2.14	-	5.68	573.82
10000	1062.00	2.14	-	10.64	1074.78
Volume (15000)	1624.50	2.14	-	16.27	1624.91

[1]For F.O.B. origin shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]Administrative costs would be assumed by the contractor on F.O.B. destination shipments.

[3]Claims administrative costs could be assumed by the contractor on F.O.B. destination shipments.

[4]The lowest surcharge from TABLE 3 was used.

Most Pessimistic

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	15.25	16.50	.15	-	31.90
500	62.95	16.50	.63	-	80.08
1000	119.00	16.50	1.19	-	136.69
2000	212.20	16.50	2.12	-	230.82
5000	466.00	16.50	4.66	-	487.16
10000	874.00	16.50	8.74	-	899.24
Volume (15000)	1300.50	16.50	13.01	-	1330.01

[1]For F.O.B. origin shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]The highest administrative cost from TABLE 2 was used.

[3]Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4]Contractor surcharge does not apply on F.O.B. origin shipments.

F.O.B. DESTINATION

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	16.50	-	5.33	40.48
500	84.65	16.50	-	15.32	116.47
1000	152.50	16.50	-	25.60	194.60
2000	266.80	16.50	-	42.91	326.21
5000	566.00	16.50	-	88.24	670.74
10000	1062.00	16.50	-	163.39	1241.89
Volume (15000)	1624.50	16.50	-	248.61	1889.61

[1]For F.O.B. origin shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]Administrative costs would be assumed by the contractor on F.O.B. destination shipments.

[3]Claims administrative costs would be assumed by the contractor on F.O.B. destination shipments.

[4]The highest surcharge from TABLE 3 was used.

Most Probable

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	15.25	9.67	.15	-	25.07
500	62.95	9.67	.63	-	73.25
1000	119.00	9.67	1.19	-	129.86
2000	212.20	9.67	2.12	-	223.99
5000	466.00	9.67	4.66	-	480.33
10000	874.00	9.67	8.74	-	892.41
Volume (15000)	1300.50	9.67	13.01	-	1323.18

[1]For F.O.B. shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]The average of all administrative costs shown in TABLE 2 was used.

[3]Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4]Contractor surcharge does not apply on F.O.B. origin shipments.

F.O.B. DESTINATION

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	9.67	-	2.42	30.74
500	84.65	9.67	-	8.07	102.39
1000	152.50	9.67	-	13.88	176.05
2000	266.80	9.67	-	23.66	300.13
5000	566.00	9.67	-	49.27	624.94
10000	1062.00	9.67	-	91.73	1163.40
Volume (15000)	1624.50	9.67	-	139.88	1774.05

[1]For F.O.B. origin shipments the Section 22 rates were used. For F.O.B. destination shipments the regular commercial motor carrier rates were used.

[2]Administrative costs would be assumed by the contractor on F.O.B. destination shipments.

[3]Claims administrative costs would be assumed by the contractor on F.O.B. destination shipments.

[4]The average of all surcharges shown in TABLE 3 was used.

TABLE 5. OVERALL ECONOMIC COMPARISON OF F.O.B. ORIGIN/DESTINATION SHIPMENTS (WITHOUT SECTION 22 RATES IN EFFECT)

Most Optimistic

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	2.14	.19	-	20.98
500	84.65	2.14	.85	-	87.64
1000	152.50	2.14	1.53	-	156.17
2000	266.80	2.14	2.67	-	271.61
5000	566.00	2.14	5.66	-	573.80
10000	1062.00	2.14	10.62	-	1074.76
Volume (15000)	1624.50	2.14	16.25	-	1642.89

[1]Commercial motor carrier rates were used.

[2]Includes labor, EDP, communications, and other miscellaneous costs. As a percent of motor carrier cost.

[3]Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4]Not included with F.O.B. origin shipments.

Most Pessimistic

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	16.50	.19	-	35.34
500	84.65	16.50	.85	-	102.00
1000	152.50	16.50	1.53	-	170.53
2000	266.80	16.50	2.67	-	285.97
5000	566.00	16.50	5.66	-	588.16
10000	1062.00	16.50	10.62	-	1089.12
Volume (15000)	1624.50	16.50	16.25	-	1657.25

[1]Commercial motor carrier rates were used.

[2]Includes labor, EDP, communications and other miscellaneous costs. As a percent of motor carrier cost.

[3]Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4]Not included with F.O.B. origin shipments.

Most Probable

F.O.B. ORIGIN

Weight of Shipment (lbs)	Motor Carrier Cost[1]	Transportation Administrative Costs[2]	Claims Administrative Costs[3]	Surcharge[4]	Total
1	18.65	9.67	.19	-	28.51
500	84.65	9.67	.85	-	95.17
1000	152.50	9.67	1.53	-	163.70
2000	266.80	9.67	2.67	-	279.14
5000	566.00	9.67	5.66	-	581.33
10000	1062.00	9.67	10.62	-	1082.29
Volume (15000)	1624.50	9.67	16.25	-	1650.42

[1] Commercial motor carrier rates were used.

[2] Includes labor, EDP, communications and other muscellaneous costs. As a percent of motor carrier cost.

[3] Composite percentage of 1 percent of motor carrier cost was developed from a variety of industry sources and would include the additional costs involved in handling and processing F.O.B. origin shipments.

[4] Not included with F.O.B. origin shipments.

selected for evaluation (similar results would occur if other ALC's were selected). Because no data were available concerning the percentage of F.O.B. destination contracts which could have been F.O.B. origin, various environments were used. TABLE 6 reveals that 21,931 actions involving $716,000,000 were transacted at the Ogden ALC in FY 1977. Based on a total of 21,931 actions (shipments), TABLE 7 was developed to show the magnitude of potential cost savings to the Air Force if F.O.B. origin terms had been used in lieu of F.O.B. destination terms. The reader is cautioned to regard the savings identified in TABLE 7 as approximations only. As it will be proposed in the next section--Conclusions and Recommendations--specific data must be collected from actual contracts in order to develop exact cost savings. The savings identified in TABLE 7 do, however, indicate the substantial dollar amounts that might be realized from the F.O.B. terms of shipment decision.

In TABLE 7, the average cost differential for each environment (Most Pessimistic, Most Optimistic, and Most Probable) was used to calculate the potential cost savings. In every instance, the total cost figures (last column in TABLE 4) were compared for each shipment weight category. For each weight class, the F.O.B. origin total was subtracted from the F.O.B. destination total; e.g., in the 1-100 pound category in the Most Optimistic environment, $17.54 was subtracted from $21.00. This was done for each weight class and the results were summed and an average was determined. The use of an average assumes a normally distributed population of shipment sizes. This was considered a reasonable assumption inasmuch as no data were available and any resulting bias would be towards larger shipments. In that case, the average cost differential figures would be understated and the resultant savings would be larger. Then, for varying amounts of F.O.B. origin shipments (100 percent to 5 percent) the potential cost savings for the Ogden ALC were calculated. Depending on the number of shipments that were F.O.B. origin, the savings ranged from a low of $114,801 to a high of $4,023,023. Realistically, the cost savings would probably be closer to the lower figure since a number of shipments would have to be sent F.O.B. destination as per ASPR regulations.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. F.O.B. Origin Versus F.O.B. Destination

CONCLUSIONS

The Air Force must determine whether or not it should accept the F.O.B. origin bid on the one hand or the F.O.B. destination (delivered) bid on the other. This research study addressed that basic question. As a result, the following conclusions have been developed:

1. A significant number of contracts could be awarded F.O.B. origin in lieu of F.O.B. destination.

2. Explicit F.O.B. terms of shipment data do not presently exist in the Air Force under present operating systems.

TABLE 6. OGDEN ALC CONTRACTS (FY 1977 AND FY 1978)

FY 1977

	Actions	Dollars
Small Dollar Less than $10,000	18,347	$ 29,668,000
Over $10,000	3,584	686,332,000
	21,931	$716,000,000

FY 1978 (through 31 July)

	Actions	Dollars
Small Dollar Less Than $10,000	19,096	$ 28,165,000
Over $10,000	3,896	711,783,000
	22,992	$739,948,000

TABLE 7. ESTIMATED COST SAVINGS TO AIR FORCE IF CONTRACTS AT OGDEN ALC (FY 1977) HAD BEEN F.O.B. ORIGIN (WITH SECTION 22 RATES IN EFFECT)

Most Optimistic

Percent of Shipments F.O.B. Origin	Number of Shipments (X)	Average Cost Differential (=)	Savings
100	21,931	104.65	$2,295,079
75	16,448	104.65	1,721,283
50	10,724	104.65	1,122,267
25	5,483	104.65	573,796
10	2,193	104.65	229,497
5	1,097	104.65	114,801

Most Pessimistic

Percent of Shipments F.O.B. Origin	Number of Shipments (X)	Average Cost Differential (=)	Savings
100	21,931	183.44	$4,023,023
75	16,448	183.44	3,017,221
50	10,724	183.44	1,967,211
25	5,483	183.44	1,005,802
10	2,193	183.44	402,284
5	1,097	183.44	201,234

Most Probable

Percent of Shipments F.O.B. Origin	Number of Shipments (X)	Average Cost Differential (=)	Savings
100	21,931	146.23	$3,206,970
75	16,448	146.23	2,405,191
50	10,724	146.23	1,568,171
25	5,483	146.23	801,779
10	2,193	146.23	320,682
5	1.097	146.23	160,414

3. The basic cost components which must be considered when comparing F.O.B. origin and F.O.B. destination terms of shipment include carrier rates (Section 22 versus regular commercial), transportation administration expense, claims administration expense, contractor surcharge (profit or fee), and destination change (ASI) costs.

4. An important component of FDT costs--ASI's--is presently not being adequately considered in the F.O.B. terms of shipment decision. Particularly for small dollar shipments, costs for ASI's can be a significant portion of total transportation costs.

5. When Section 22 rates apply, F.O.B. origin terms of shipment were most beneficial to the Government whatever the size of the shipment.

6. If Section 22 rates did not apply (or if they were eliminated under future deregulation of the transportation industry), F.O.B. origin terms of shipment were most beneficial to the Government whatever the size of the shipment.

7. Although more specific data are needed, it was found that significant dollar savings might be involved in utilizing F.O.B. origin terms of shipment in lieu of F.O.B. destination terms.

8. At most ALC's, the transportation personnel are not presently being utilized most efficiently by the PCO's and ACO's.

RECOMMENDATIONS

Specific recommendations resulting from the research study and following from the conclusions previously mentioned include:

1. Consider the possible revision of the ASPR as suggested in section III (A) of this report.

2. Solicit F.O.B. origin and F.O.B. destination bids on all contracts which may be shipped via origin or destination terms of shipment.

3. Until more specific information becomes available, award contracts on F.O.B. origin terms whenever possible. Specific exceptions would include those shipments that would normally be sent via Parcel Post or United Parcel Service.

4. At a selected ALC, institute a pilot program where F.O.B. origin versus F.O.B. destination cost differentials can be compared. Such a program could encompass all contracts which could be shipped F.O.B. origin in lieu of F.O.B. destination over a period of at least three months.

5. To maximize the interface (and understanding) between the contracting and transportation functions, a transportation specialist should be stationed; on a rotating basis over a 3 to 6 month period; on-site in the office of the PCO (this is similar to the program that presently exists at the Ogden ALC).

One consideration which should be examined by the Air Force if more contracts were awarded F.O.B. origin would be that portion of contractor overhead attributable to transportation. While the contractor surcharge for transportation would be eliminated, the transportation overhead most probably would not. In those instances where the contractor has a traffic department or traffic personnel, the costs for their activities become part of the contractor's overhead. In most cases, however, the contractor probably could not specifically identify overhead costs resulting from transportation because of data availability problems. Also, the percentage of overhead due to transportation would be small when compared to manufacturing, engineering and other components. Therefore, even if the Air Force were to solicit bids on an F.O.B. origin basis, they would be incurring some additional, and at present, unidentifiable, transportation costs.

An additional recommendation, not directly related to the purposes of this research study, refers to ASPR 19-403.2. During the personal interviews it was indicated by some Government personnel that the use of prepaid commercial bills of lading may be economically inefficient in some cases. It appears that multiple shipments under a single contract or several contracts awarded to the same contractor could be consolidated so as to realize additional cost savings for the Government.

B. Methodology For Evaluating the F.O.B. Terms of Shipment Decision

Because many of the conclusions and recommendations in this research study were predicated on assumptions or data not presently available to the Air Force, a methodology is hereby proposed whereby specific data can be collected so that the economic advantages of F.O.B. origin over F.O.B. destination terms of shipment can be determined. Once exact cost figures are compiled, the Air Force can institute changes in existing contract award procedures to take advantage of potential cost savings involved in F.O.B. origin terms of shipment. In this regard, the following methodology is proposed:

1. Solicit both F.O.B. origin and F.O.B. destination bids on all contracts for at least a three month period.

2. For every contract, or some subset, regardless of size (dollar amount), awarded during the period of data collection complete DD Form 1499.

3. Exactly monitor the amount of time personnel spend administering the F.O.B. origin contracts that previously would have been awarded F.O.B. destination.

4. Exactly monitor the additional time spent by personnel in the processing and administration of claims that would not have been handled if F.O.B. destination terms of shipment had been employed.

5. Transportation personnel should compute the transport cost involved in the contracts awarded F.O.B. origin utilizing Section 22 rates and regular commercial carrier rates.

6. Identify transportation administration costs for each GB/L utilizing the format outlined in TABLE 8.

7. Record the total number and dollar volume of contracts awarded F.O.B. origin and F.O.B. destination during the period of data collection.

8. Record the number and dollar volume of contracts that would have normally been awarded F.O.B. destination that were awarded F.O.B. origin.

9. After all data have been collected, develop the tables needed to compare the F.O.B. terms of shipment using TABLES 1 through 8 as references.

It should be noted that the actual period of data collection may

TABLE 8. FORMAT FOR IDENTIFYING TRANSPORTATION ADMINISTRATION COSTS

Transactions (GB/L's)	Labor Cost For Processing GB/L's	EDP Expenses	Cost For Duplicate GB/L's	Miscellaneous Costs[1]	Total Cost	Cost Per GB/L[2]

[1] Includes the following items: carrier telephone calls; special projects; EDP or computer problems; carrier correspondence; secretarial; intra-Air Force communications.

[2] The cost per GB/L is obtained by dividing Total Cost by the Number of Transactions (GB/L's).

take longer than the time period when the contracts are initially selected. Some data will not be available until the contract has been awarded and the material delivered. As an example, claims administration expense would not be known until some time after the material had been delivered at the destination and accepted by the consignee (the Government).

The implementation of the recommendations made in this research study is based upon the following premises:

1. The programs and plans outlined in this study could be implemented within a period of one year at all ALC's.

2. The larger number of F.O.B. origin contracts that would result from the implementation of the recommendations made in this study would involve few, if any, additional contracting or transportation personnel. The expertise and manpower necessary to implement the study recommendations appears to presently exist within the present Air Force procurement system.

A final comment needs to be made concerning the need for the Air Force to exercise "control" over the transportation activity. One benefit of F.O.B. origin terms over F.O.B. destination terms is that the Government is in complete control of the shipment--the mode selected, routing, rate negotiation, etc.--from the time the item(s) leaves the contractor's facility until the time the item(s) reaches the final destination. The greater degree of control exercised by the Government under F.O.B. origin terms of shipment also means greater flexibility. By controlling the entire transportation administration function, the Government is better able to expedite shipments when necessary, reroute shipments in transit, change destination points as required, switch to a faster or slower mode of transport if the need for the item changes, and others. The Air Force has highly qualified personnel in the transportation area. Those persons are as competent (and often moreso) as their counterparts in the civilian sector, and they can provide equal or higher levels of transportation service. Although it is difficult to assign a cost to the control and flexibility components of the transportation activity, it is apparent that the Air Force can reap substantial benefits in the form of higher levels of service by utilizing the expertise that presently exists in the Air Force transportation work force.

APPENDIX

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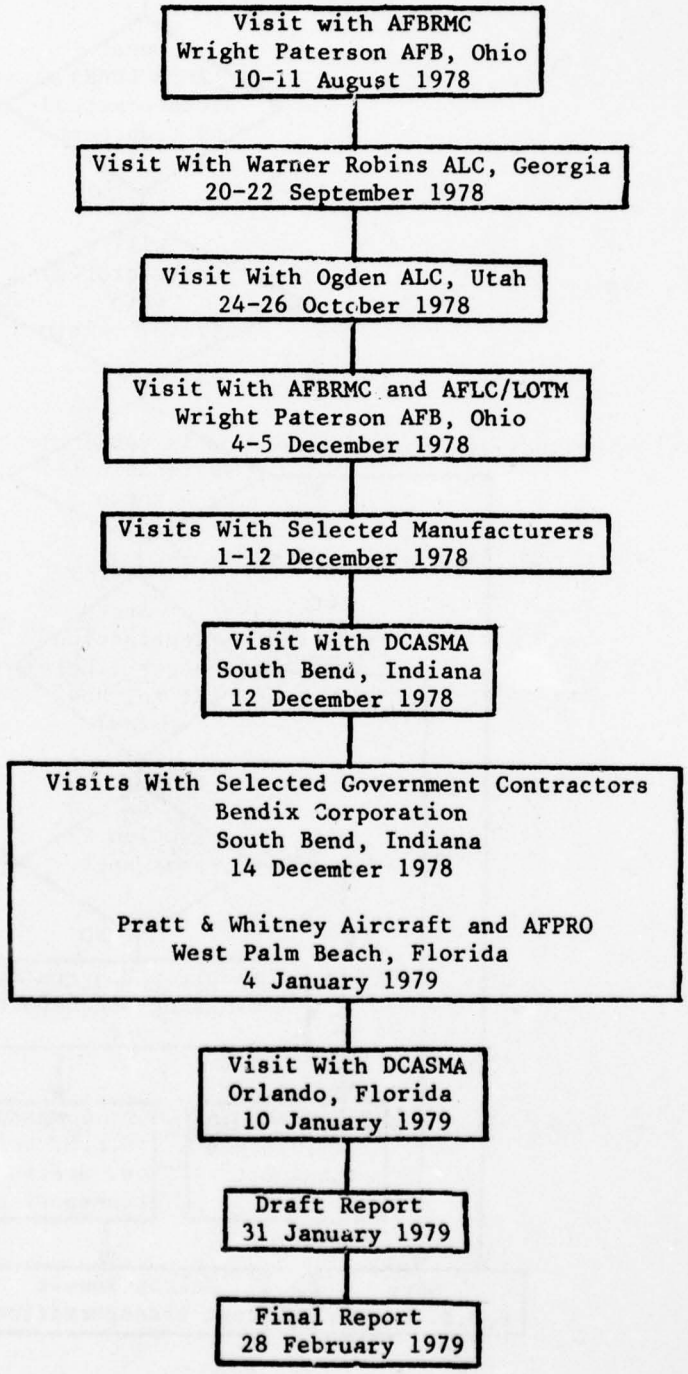
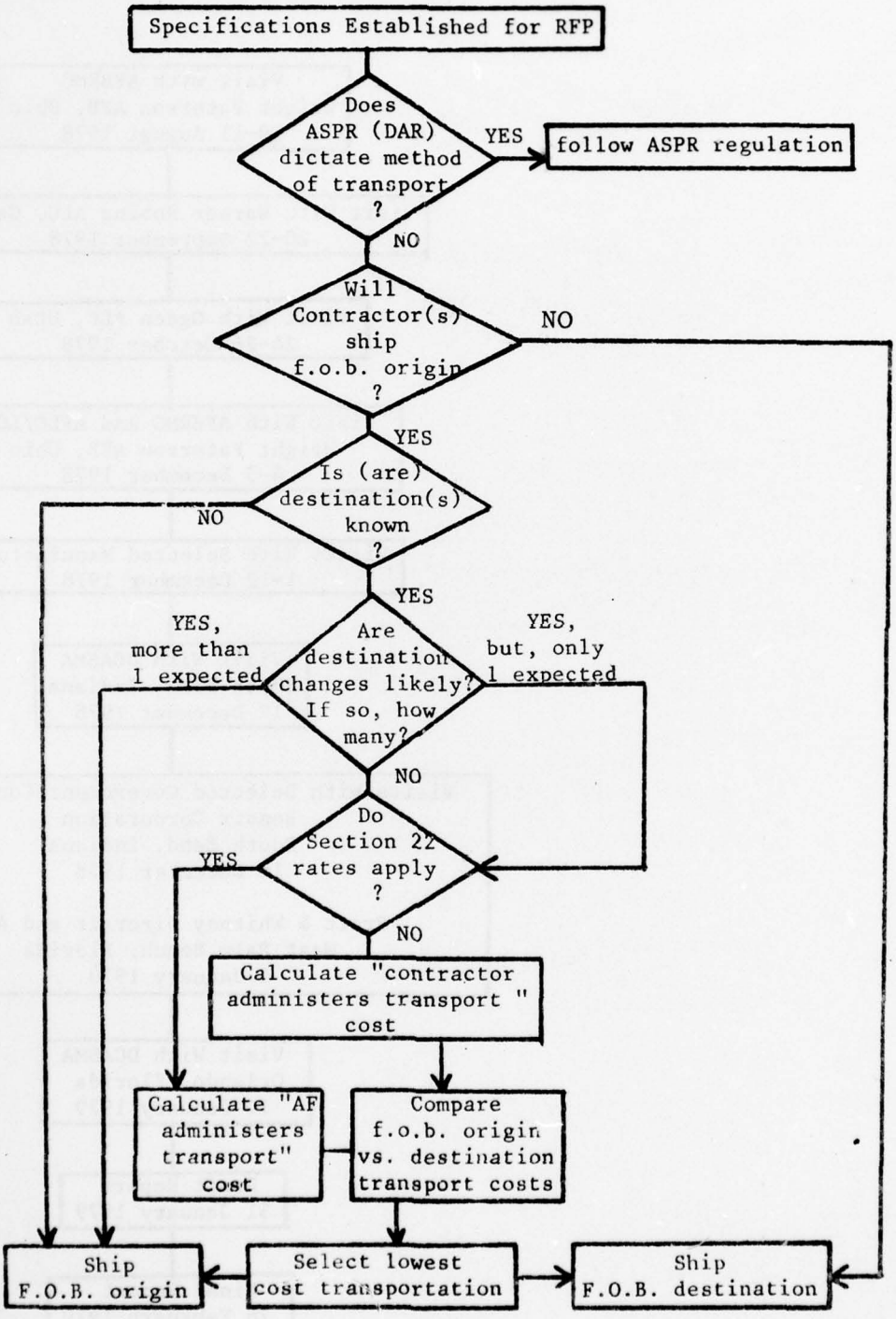
DATA COLLECTION SCHEDULE



FLOW CHART OF F.O.B. ORIGIN/DESTINATION DECISION



TJ 03 RR RR JUUU 211515Z APR 7

NO

HQ AFLC WPAFB OH/LOT

OO-ALC HILL AFB UT/DSTMA

INFO OC-ALC TINKER AFB OK/DSP

SA-ALC KELLY AFB TX/DSP

SM-ALC MCCLELLAN AFB CA/DSP

WR-ALC ROBINS AFB GA/DSP

UNCLAS

SUBJECT: TRANSPORTATION COST FACTORS

1. REFERENCE OO-ALC/DSTMA MESSAGE 1822OOZ APR 78.

2. THE USE OF $50.00 AS AN ADMINISTRATIVE COST FOR PROCESSING A GBL IS NOT AN OFFICIALLY RECOGNIZED FACT. A RECENT GAO LETTER REPORT ON DOD'S USE OF COMMERCIAL DOCUMENTATION AND PROCEDURES TO PURCHASE AND PAY FOR COMMON CARRIER DOMESTIC FREIGHT TRANSPORTATION (OSD CASE NO. 4865) STATES (PAGES 5/6) "THE GENERAL SERVICES ADMINISTRATION HAS MADE A STUDY TO SHOW THAT THE COST FOR MANUAL PREPARATION AND PROCESSING OF THE GBL-FROM PURCHASE OF THE GBL SHEETS TO AUDIT BY GAO (NOW GSA)-WAS $15.58 AS COMPARED WITH $7.61 FOR A COMMERCIAL BILL OF LADING. THE REPORT ALSO NOTES THAT DOD OFFICIALS ARE OF THE OPINION THAT THE COST DIFFERENCE OF $7.97 BETWEEN THE

LOTMT/HEATON/76243/24 APR/MDT MCSO2357

DAVID F. [illegible]
Deputy Director, Transportation
Office of Logistics Operations

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App C

02 03

LOTMT/HEATON/76248/24 APR/MDT MC2081

THE GBL AND CBL IS NOT AS GREAT AS THE GSA STUDY SHOWS BUT THAT THIS HAS NOT BEEN FULLY DOCUMENTED. ALSO NOTED IS THAT SOME LOCAL TRANSPORTATION OFFICERS HAVE ESTIMATED THE PROCESSING COSTS FOR A GBL COULD BE AS HIGH AS $50. IT IS THE OPINION OF THIS OFFICE THAT THE $50 ESTIMATE IS BASED PRIMARILY ON MTMC CODING REQUIREMENTS OF AFM 75-2. A COPY OF THE GAO LETTER REPORT WAS FURNISHED ALC/IG OFFICES BY AFLC/IG LETTER, 17 APRIL 1978.

3. IT SHOULD BE NOTED THAT COSTS ATTRIBUTABLE TO USE OF GBLS IS AN OVERALL GOVERNMENTAL EXPENSE, AS THE USE OF ITS COUNTERPART THE COMMERCIAL BILL OF LADING IS TO INDUSTRY/CARRIERS. SINCE THE BASIS FOR EACH IS CONTROLLED BY PUBLIC LAW THROUGH THE GENERAL SERVICES ADMINISTRATION ON THE ONE HAND AND THE DEPARTMENT OF TRANSPORTATION (INTERSTATE COMMERCE COMMISSION) ON THE OTHER, SUCH COSTS ARE NECESSARILY AN OVERHEAD COST. THEREFORE, IT CANNOT BE CONSIDERED AN EXPENSE UNLESS A DIRECT CORRELATION CAN BE ESTABLISHED BETWEEN THE TWO INSTRUMENTS. IE: WHAT IS THE COST TO INDUSTRY/CARRIERS TO USE THE COMMERCIAL BILL OF LADING. FURTHER, INASMUCH AS INDUSTRY/CARRIERS ARE NOT CONTRACTUALLY REQUIRED TO USE THE MTMC CODING REQUIRED BY AFM 75-2, THERE MAY NOT BE A SIGNIFICANT COST

CB CB

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DIFFERENCE.

4. F.O.B. DESTINATION BIDS ARE BASED ON COMMERCIAL TARIFF RATES WHEREAS A SPECIAL TENDER RATE (SECTION 22) MAY BE AVAILABLE TO THE GOVERNMENT ON F.O.B. ORIGIN TERMS. ALSO, IN ADDITION TO THE COMMERCIAL TARIFF RATE, F.O.B. DESTINATION BIDS MAY INCLUDE A STANDARD PERCENTAGE OF ADMINISTRATIVE INDIRECT COSTS AND PROFIT, APPLIED TO THE OVERALL COST OF THE ITEM DELIVERED TO THE DESTINATION POINT. F.O.B. ORIGIN TERMS ALSO GIVE THE GOVERNMENT THE ADVANTAGE FOR USE OF MODES SUCH AS LOGAIR OR QUICKTRANS WHEN AVAILABLE FROM AN INSTALLATION WITHIN THE COMMERCIAL ZONE OF THE CONTRACTOR'S FACILITY.

5. IN CONSONANCE WITH THE FOREGOING, THE PROPOSED GUIDANCE OUTLINED IN OO-ALC/DSTMA MESSAGE 182200Z APR 78 IS NOT CONCURRED WITH.

COORDINATION

	NAME	INITIALS	
LOTMT	Heaton		24APR78
LOUMS			27APR78
DISTRIB			27Apr78 Revision for Info Only
IGTD			27Apr78
LOTM			27 Apr 78
LOT			

UNCLASSIFIED

Recvd 2 LOTMT 19APR78/1500 ✓

TOR-109030Z

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MLN-026526

ACT LOTMT 1/B

INFO 191230

RTTUZYUW RUVHRIW0001 1090005-UUUU--RUVAAAA.
ZNR UUUUU
R 1822002Z APR 78
FM OO-ALC HILL AFB UT/DSTMA
TO RUVAAAA/HQ AFLC WPAFB OH/LOTM
INFO RUVORIA/OC-ALC TINKER AFB OK/DSP
RUVMRIA/SM-ALC MCCLELLAN AFB CA/DSP
RUVKAAA/SA-ALC KELLY AFB TX/DSP
RUVRAAA/WR-ALC ROBINS AFB GA/DSP
BT
UNCLAS
SUBJ: TRANSPORTATION COST FACTORS
1. IT APPEARS THAT FOB ORIGIN CONTRACTS IMPOSE ADMINISTRATIVE COSTS ON USAF THAT ARE NOT APPLICABLE WHEN FOB DESTINATION IS USED. ON SOLICITATIONS WITH FOB TERMS ORIGIN AND/OR DESTINATION ASPR CLAUSE 7-2003.24(D) THIS ADMINISTRATIVE COST SHOULD BE CONSIDERED IN BID EVALUATION. ACCORDINGLY PROPOSE THAT GUIDANCE SUBSTANTIALLY AS FOLLOWS BE RELEASED FOR USE IN CONJUNCTION WITH ASPR CLAUSE 7-2003.24 (D): "PAYMENT OF FREIGHT CHARGES USING GOVERNMENT BILLS OF LADING INCREASES THE GOVERNMENT'S ADMINISTRATIVE COST ASSOCIATED WITH MATERIAL ACQUISITION. FOR EVALUATION PURPOSES ON FOB ORIGIN OFFERS/PROPOSALS THAT REQUIRE THE USE OF A GOVERNMENT BILL OF LADING FOR MATERIAL MOVEMENT $50.00 WILL BE ADDED TO COST OF TRANSPORTATION FOR EACH ANTICIPATED SHIPMENT IN ACCORDANCE WITH THE DELIVERY SCHEDULE STATED IN THIS SOLICITATION OR THE OFFER/PROPOSAL IF A DIFFERENT BUT ACCEPTABLE DELIVERY SCHEDULE IS PROPOSED/OFFERED."
2. REQUEST YOUR CONCURRENCE AND /OR COMMENTS.
BT
BT
#0001

NNNN

HQ SAN ANTONIO AIR LOGISTICS CENTER (AFLC)
Directorate of Materiel Management
Kelly Air Force Base TX 78241

MM OPERATING INSTRUCTION 67-500

30 June 1978

Supply

PROCESSING AMENDED SHIPPING INSTRUCTIONS (ASIs)

This operating instruction prescribes procedures for processing ASIs. It applies to the Stock Fund Branch (MMIF), the Investment and Replacement Branch (MMII), the Production Management Branch (MMIP), the Materiel Support Branch (MMIS) of the Item Management Division (MMI); and the Requirements and Distribution Branch (MMPD) and Production Management Branch (MMPP) of the Propulsion Management Division (MMP). It implements AFM 67-1, volume III, part one, chapter 10.

1. BACKGROUND INFORMATION:

a. Defense Acquisition Regulatory System (DARS) requires all modifications to contracts resulting from Military Interdepartmental Purchase Requests (MIPRs) to be accomplished by MIPR amendment. Accordingly, ASIs against MIPR contracts will require the Item Manager (IM) to prepare MIPR amendments rather than AFLC Form 183, Request for Issuance of Shipping Instructions.

b. The ASI requires a formal contract modification. Item Managers (IMs) and Industrial Specialists must refrain from issuing informal shipping instructions to the contractor. Instructions provided without formal documentation create legal problems and may lead to disciplinary actions.

c. Modifications to provisioning contracts (for ASI purposes) must be issued by the System Manager (SM) ALC in accordance with the DARS. However, Production Operations Branch (PPDO) has agreed to accept all requests for ASIs without regard to procuring ALC (with the exception of A10 Aircraft items due-in on Contracts F33657-73-C-0500 and F33657-75-C-0228). PPDO will screen the request for policy compliance, provide advance notification to the contractor/Defense Contract Administration Services (DCAS) office (when appropriate), and forward the request to the applicable procuring ALC for issuance of the contract modification. The procedure was developed as a means of providing prompt response to urgent requirements.

2. POLICY:

*a. ASIs will be issued only when conditions outlined in AFM 67-1, volume III, part one, chapter 10, have been met. In summary, AF policy states ASIs will not be issued to fill active requisitions until delivery is within 60 days. Some exceptions are allowed and the basis for these exceptions are outlined in the above publication. It should be noted that ASIs may be issued whenever the item is no longer required at its present destination. This rule applies without regard to the 60 day limitation.

*b. ASIs against the same contract (and call) for pribrities 1-3, Not Mission Capable-Support (NMCS). Partial Mission Capable Support (PMCS), or work stoppages will be consolidated on a daily basis. All other ASIs against the same contract and call number will be consolidated on a weekly basis. Consolidation of ASIs for

Supersedes MMOI 67-500, 5 Oct 1976 (See signature page for changes.)
No of printed pages: 8
OPR: MMMRA (H. Birdsong)
Approved by: F. E. Maese
Writer-Editor: S. W. Pezzaro
DISTRIBUTION: X: MMMLL/ECT...1; 2851 ABG/DAD ..1; 2851 ABG/DAPA...2; MMMLE...3; MMMPP...3; SWRR...3; PPD...5; PPMD...5; DSPP.. 5; MMI...300; MMP...150; MMMS...5; SFSC...5; MMMSA...1; MMMRA...15; AFGE Local 1617...7

more than one IM will be accomplished whenever possible.

*c. The cost of ASI action must be compared to the benefits expected from the diverted shipment. Several contractors have a standard change for each destination on the ASI. Attachment 1 is a list of these contractors. This cost is over and above the administrative cost incurred by the Air Force in revising the contract to reflect the change in destination. It should be noted that AF policy states when ASIs may be issued. It does not state that ASIs will be issued and, in some cases, sound judgement would dictate that the item be shipped to its present destination.

3. RESPONSIBILITIES. All actions relative to ASIs will be accomplished by the IM.

4. PROCEDURES:

a. MMI and MMP will establish and maintain a single register in a central location for the purpose of assigning and controlling ASI reference numbers. These numbers are for AFLC Form 183 only. MIPR amendments will be controlled by the basic MIPR number. As a minimum, the ASI register will reflect the following elements of data:

(1) ASI Reference Number (attachment 2 describes the structure of the number).

(2) National Stock Number.

(3) Name or ASI initiator.

(4) Date ASI Reference Number assigned.

b. MIPR amendments (for ASI action only) are to be processed in accordance with current PR/MIPR instruction except:

(1) ASI will be placed in large letters on the first page of the amendment.

(2) An advance copy will be mailed direct to Production Management Branch (PPDM) for processing

c. After determining ASI action is appropriate, the IM will take the following actions:

*(1) Handscribe original and one copy of AFLC Form 183 annotating next unused ASI Reference Number in block 8 (see paragraph 1a above for exception). Prepare the form annotating information required as indicated by "X" in attachment 3. If the ASI is on a contract with a contractor who charges for ASIs, state in the remarks portion of AFLC Form 183 that funds are appproved to cover the contractor charges. This statement will be signed at branch level. Complete necessary entries in ASI register. Multiple items and multiple destinations will be included on the same ASI. Attachments may be used to show the multiple items and destinations. Show order of shipping sequence for each destination.

*(2) Prepare AF Form 923, Requisition Worksheet, in accordance with current instructions. Enter the following in Columns 74-80.

74-76 Estimated shipment date (Julian date).

77-79 Last three digits of ASI/MIPR Number.

80 Enter one of the following:

C - If the ASI is being issued on a provisioning contract.

J - If the ASI is being issued on a local purchase contract.

H - ISI - PR/MIPR if the item is being procured on PR/MIPR for direct shipment.

M - If the ASI is being issued on a repair contract.

X - If the ASI is being issued on a production contract.

(3) Coordinate all ASIs against repair contracts with the applicable Production Specialist (MMIP or MMPP) to assure the contractor can deliver the item by the required date.

(4) Annotate the procuring SM-ALC or AFLC Form 183 when the ASI is against a provisioning contract managed at another ALC.

(5) Mail (or handcarry if urgent) the original AFLC Form 183 to the Traffic Branch (DSPP) for additional processing.

*(6) Forward AF Form 923 to MMIS for processing. Note. AF Form 923 for "BV" status will not be processed for Foreign Military Sales (FMS) requisitions until the item is on contract for direct shipment.

(7) Suspense the IM copy of AFLC Form 183 until the updated AFLC Form 339, Due-In Assets Status Record, is received reflecting revised destination(s). The new AFLC Form 339 should be reviewed to ensure accuracy of document number. A variance in the document number will preclude update of the back order file when the receipt transaction is processed and cause exceptions. Accelerated Delivery Requests (ADRs) should also be initiated when the ASI is to cover NMCS/PMCS, work stoppage, or other high priority requirements. The ADR will be attached to and be part of the ASI package.

(8) Revert requisition to "BB" status if notified that contractor cannot honor the ASI.

d. The following procedures are to be used for ASIs against contracts F33657-73-C-0500 and F33657-75-C-0228 for the A10 Aircraft.

(1) Block 10A: Insert Exhibit Line Number (ELIN)/Contract Line Item Number (CLIN) as shown on AFLC Form 339.

(2) Block 10D: Show part number.

(3) Remarks block: Show contract item number and include statement "Funds are available for this ASI."

(4) Forward the request for ASI to SM-ALC/MMAO for funding and further processing.

E. E. MAESE
Deputy Director
Directorate of Materiel Management

3 Attachments
1. List of Contractors
2. Structure of ASI Reference Numbers
3. AFLC Form 183

SUMMARY OF REVISED, DELETED, OR ADDED MATERIAL
This instruction has been revised to reflect: Current terminology on requisitions; clarification on policy; and update of list on contractors who charge for ASIs.

LIST OF CONTRACTORS

The following list of Contractors have standard charges for amended shipping instructions.

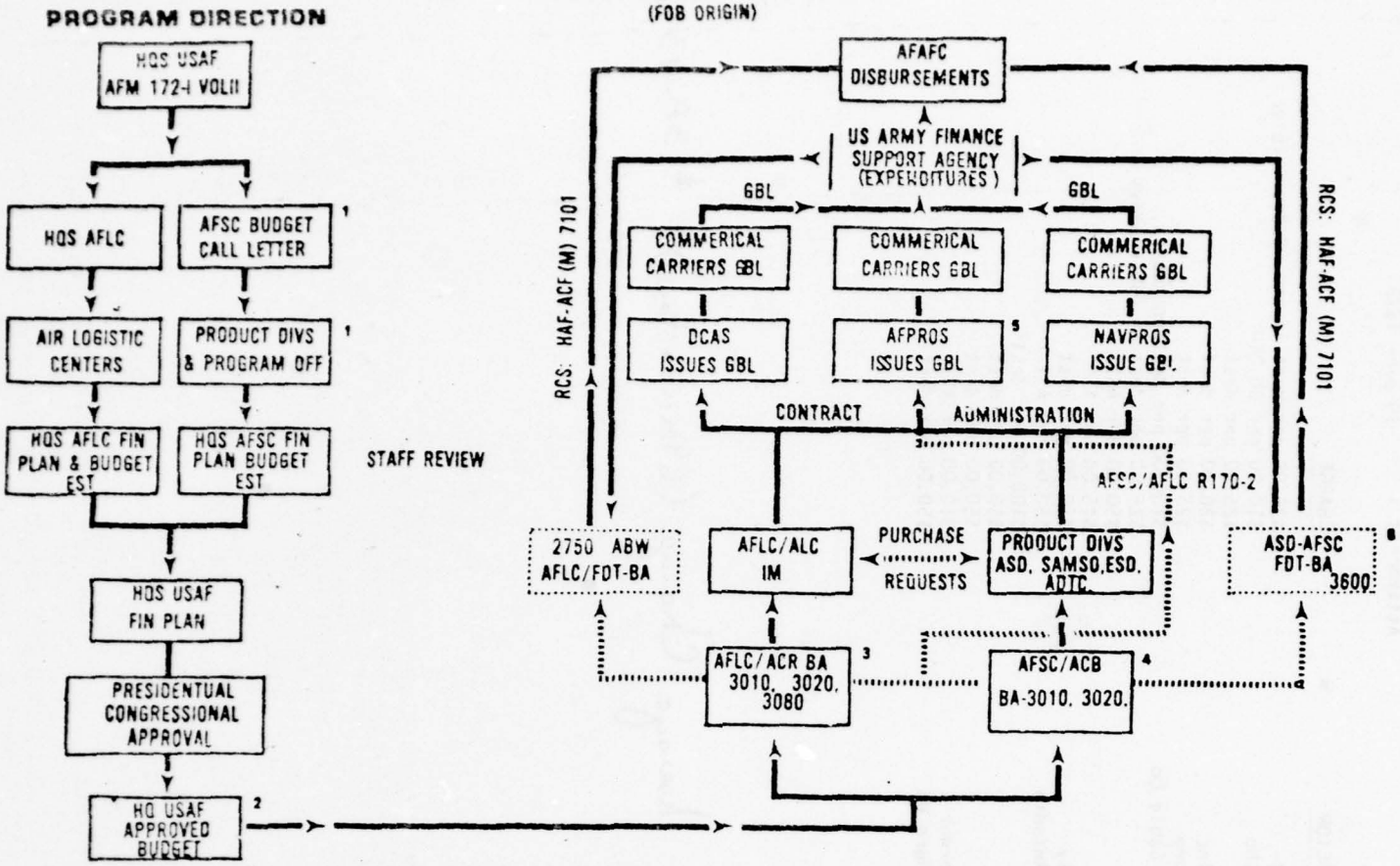
CONTRACTOR	CHARGE
A. C. Sparkplug	$25.00 per dest
A & M	$50.00 per ASI
Aeroquip Corp	$14.75 per dest
Air Marine Sales	$17.00 per dest
Allen Acft, Ravenna OH	$25.00 per dest
Arko Machine Shop	$30.00 per dest
Arkwin	$100.00 per dest
Arrowhead Products	$25.00 per dest
Atlas Corp	$50.00 per ASI
Barber Colman	$20.00 per ASI
Beta Corp	$35.00 per dest; $50.00 per dest FMS
Breeze Corp	$75.00 per dest
Burroughles Corp	$50.00 per dest
California Aero Dyn	$15.00 per dest
Clifton Prec	$50.00 per dest
Compers	$50.00 per dest
Co-Operative Ind	$25.00 per ASI
CTI	$20.00 per dest
Delavan Mfg	$150.00 per dest (1st), $30.00 additional
DOSCO	$25.00 per dest
EEMCO Div of Datron	$75.00 per dest
Essex Electro Engr	$35.00 per dest
Federal Mogul Corp	$25.00 per ASI
GE AFD Struther, Arkansas City	$10.03 per DD 250
S. B. Godman	$25.00 per dest
GTE Lenkurt	$25.00 per ASI
Gull Airborne	$100.00 per dest
H. K. Ferguson Assoc	$25.00 per dest
Hi Shear Corp	$50.00 per dest
Howell Instruments	$12.50 per dest
Industrial Acoustics	$40.00 per dest
Kaman A Co	$55.00 per ASI
Jansen Mfg	$15.00 per dest
Kemp Industries	$25.00 per dest
L A	$25.00 per dest; $50.00 per dest FMS & MAP
League Ind Tech Serv Co	$12.50 per DD250
Martin Rockwell	$25.00 per dest
North Atlantic Ind, Inc	$50.00 per mod
Oswell	$15.00 per dest
Parker Hannifin	$50.00 per dest
Penwalt (S S White)	$50.00 per dest
Pioneer Recovery	$25.00 per dest
Plessy	$25.00 per dest
Reflectone, Ind	$25.00 per dest
Regent Jack Mfg	$50.00 per AS!
Resistoflex NJ	$25.00 per dest
Ronson Hydraulic	$50.00 per dest; $75.00 per des O/S
Sargent-Fletcher	$25.00 per ASI
Scobey Pkg	$30.00 per dest
Sierra Engr	$25.00 per dest
Southcross Gun Works	$35.00 per dest
Standard Mfg	$ 6.00 per dest
Swifts	$25.00 per dest

CONTRACTOR	CHARGE
Teledyne (CA)	$35.00 per dest if new DD 250 involved
Teledyne Neosho	$10.00 per DD 250
Teleflex	$25.00 per dest
Texas Instr Inc	$20.00 per dest
The Talley Corp	$25.00 per dest
Times Wire & Cable Co	$100.00 per dest on cables, $25.00 per dest on cable assys
Titeflex	$50.00 per ASI
Valcox	$25.00 per ASI
Varian/Beverly	$50.00 per dest
Ventura San Antonio	$50.00 per ASI
Walter Kidde	$100.00 per dest
Western Gear	$50.00 per dest
Westinghouse	$50.00 per dest
Woodward Governor	$10.00 per ASI
York Div of Burg WA	$50.00 per dest

Average Charge (69 contractors) = $ 38.23/dest

FDT PROGRAM FLOW

(FOB ORIGIN)



1. AFSC LETTER REQUIRES FDT COSTS BE IDENTIFIED TO PROGRAM (3010, 3020 & 3080) OR PROGRAM ELEMENT (3600)
2. ISSUES BA FOR 3010, & 3080 TO AFLC AND FOR 3010 ONLY TO AFSC
3. BA FOR FDT ISSUED FOR 3010, 3020 (EXTRACTED FROM PROGRAM FUNDS) & 3080 (BA FOR 3080 COVERS FDT COSTS FOR BOTH AFLC/AFSC)
4. BA FOR FDT ISSUED FOR 3010 AND 3020 (FDT FOR 3020 IS EXTRACTED FROM PROGRAM FUNDS)
5. COST FOR FEDERAL EXPRESS, UNITED PARCEL SERVICE AND PARCEL POST FROM AIR FORCES O & M POSTAL FUNDS
6. FDT FOR 3600 IS DEDUCTED FROM LARGE PROGRAMS TO COVER ALL 3600 SHIPMENTS

7-104.70 *FOB Origin.* In accordance with 19-208.2 and 19-208.4(a) or (b), insert the following clause.

F.O.B. ORIGIN (1973 APR)

The Contractor is responsible for delivery to, and for loading, blocking, and bracing the supplies on, the carrier's vehicle; or for delivery to and placement on the carrier's wharf (at shipside, within reach of the ship's loading tackle, when shipping point is within a port area having water transportation service) or the carrier's freight station; or for delivery to the U. S. Postal Service facility; all at Government's option, whichever place of delivery is specified by the Government at the time of shipment. These Contractor responsibilities are specified for performance at the plant or plants at which such supplies are to be finally inspected and accepted, unless the facilities for shipment by carrier's equipment are not available at the Contractor's plant, in which case they will be performed f.o.b. the point or points in the same or nearest city where the specified carrier's facilities are available; subject, however, to the following qualifications:

(i) If the Contractor's shipping plant is located in the same city (or county) listed as a destination or port of loading in the contract, the Contractor shall deliver the supplies to that destination or port at his expense and such portion of the contract will be "f.o.b. destination."

(ii) If the Contractor's shipping plant is located in the State of Alaska or Hawaii, the Contractor shall deliver the supplies listed for shipment outside Alaska or Hawaii to the port of loading in Alaska or Hawaii, respectively, as specified in the contract, at Contractor's expense, and to that extent the contract will be "f.o.b. destination."

(iii) Notwithstanding (ii) above, if the Contractor's shipping plant is located in the State of Hawaii, and the contract requires delivery to be made by container service, the contractor shall deliver the supplies, at his expense to the container yard in the same or nearest city where seavan container service is available.

(End of clause)

7-104.71 *FOB Destination.* In accordance with 19-208.3, insert the following clause.

F.O.B. DESTINATION (1969 APR)

Supplies shall be delivered to the destination consignee's wharf (if destination is a port city and supplies are for export), warehouse unloading platform, or receiving dock, at the expense of the Contractor. The Government shall not be liable for any delivery, storage, demurrage, accessorial, or other charges involved prior to the actual delivery (or "constructive placement" as defined in carrier tariffs) of the supplies to the destination, unless such charges are caused by an act or order of the Government acting in its contractual capacity. If rail carrier is used, supplies will be delivered to the specified unloading platform of the consignee. If motor carrier (including "piggyback") is used, supplies will be delivered to truck tailgate at the unloading platform of the consignee. If the Contractor uses rail carrier or freight forwarder for less than carload shipments, he shall assure that the carrier will furnish tailgate delivery if transfer to truck is required to complete delivery to consignee.

(End of clause)

TRANSPORTATION DATA FOR IFBs AND RFPs	PR, PD OR MIPR NUMBER FD2060	DATE
COMMODITY NMFC:		STOCK NUMBER

F.O.B TERMS RECOMMENDED AS BEST SUITED FOR THIS PROCUREMENT *(Check one or more)*

( ) ORIGIN ( ) DESTINATION ( ) OTHER *(Specify)*

	TRANSPORTATION PROVISIONS AND CLAUSES *(Check appropriate boxes)*	ASPR CITATION
	GUARANTEED MAXIMUM SHIPPING WEIGHTS AND DIMENSIONS (See Reverse Side)	7-2003.16
	FREIGHT CLASSIFICATION DESCRIPTION	7-2003.17
	TRANSIT PRIVILEGE	7-2003.18
	F.O.B. ORIGIN *(With Differentials)*	7-2003.19
	BID EVALUATION – F.O.B. ORIGIN	7-2003.23(d)
	EVALUATION OF EXPORT BIDS OR PROPOSALS (See Reverse Side) (see note 1)	7-2003.20
	DESTINATION UNKNOWN	7-2003.24(a)
	F.O.B ORIGIN – CARLOAD AND TRUCKLOAD SHIPMENTS	7-2003.24(b)
	SHIPPING POINT(S) USED IN EVALUATION OF F.O.B. ORIGIN	7-2003.24(c)
	STANDARD COMMERCIAL PRACTICE FOR PRESERVATION, PACKAGING AND PACKING	
	MARKING OF SHIPMENTS	
	F.O.B. POINT FOR DELIVERY OF GOVERNMENT FURNISHED PROPERTY	7-104.69
	F.O.B. ORIGIN	7-104.70
	F.O.B. DESTINATION	7-104.71
	F.O.B. ORIGIN – MINIMUM SIZE OF SHIPMENTS	7-104.72
	LOADING, BRACING, AND BLOCKING OF FREIGHT CARS	7-104.73
	SHIPMENTS TO PORTS – EXPORT RELEASE AND MILSTAMP DOCUMENTATION	7-104.74
	DIVERSION OF SHIPMENT ON F.O.B. DESTINATION CONTRACTS	7-104.75
	F.O.B. ORIGIN AND/OR DESTINATION	7-2003.24(d)
	COMMERCIAL BILLS OF LADING COVERING F.O.B. ORIGIN SHIPMENTS	7-103.25
	F.O.B. DESTINATION – EVIDENCE OF SHIPMENT	7-104.76
	EVALUATION OF TRANSPORTATION COSTS	7-2003.70
	F.O.B. ORIGIN – GBL AND PREPAID POSTAGE	7-104.85(a)
	REPORT OF SHIPMENT (REPSHIP)	7-105.4

REMARKS:

( ) NOTE: IF IT IS NECESSARY TO DEVIATE FROM RECOMMENDATIONS ON THIS PR/MIPR OR IF THIS DOCUMENT IS CONSOLIDATED WITH ANOTHER PR/MIPR, REQUEST IT BE RECOORDINATED WITH WARNER ROBINS ALC/DSPP BY TELEPHONE.

( ) IF AWARD IS MADE ON OTHER THAN DD FORM 1155, REQUEST PR BE RECOORDINATED WITH DSPP BY TELEPHONE EXT 2473.

( ) PARCEL POST ( ) AIR PARCEL POST ( ) REGISTERED AIR PARCEL POST ( ) PREPAID

( ) SHIP PREPAID FREIGHT ON COMMERCIAL BILL OF LADING.

( ) OTHER

( ) SHIP ON COMMERCIAL COLLECT BILL OF LADING.

( ) NOTE TO CONTRACTOR: WHEN MATERIAL READY TO BE SHIPPED CONTACT COGNIZANT TRANSPORTATION OFFICE OR ROBINS AFB GA DSPP PHONE 912 926-2473 FOR SHIPPING ADDRESS.

( ) SHIPPING INSTRUCTIONS AT A LATER DATE.

( ) SAME AS BASIC

TYPED NAME OF TRANSPORTATION SPECIALIST	SIGNATURE	DATE SIGNED
926-2473		

DD FORM 1 MAR 68 1653

APLC RAFB, GA

APPROVED (2853 ABG/DAPH) (APR 78) (EFB)

EVALUATION OF PRINT BIDS OR PROPOSAL

(Ports and combined handling and transportation charges per measurement ton to be used by the Government for evaluation purposes)

ORIGIN PORTS *(Aerial or Water)*	DESTINATION COUNTRIES				
BAYONNE, N.J.					
NORFOLK, VA.					
NEW ORLEANS, LA.					
OAKLAND, CALIF.					
LONG BEACH, CALIF.					
SEATTLE, WASH.					

REMARKS:

( ) ESTIMATED SHIPPING WEIGHTS, CUBE AND/OR DIMENSIONS.

	WT	L	W	H
EA				

NOTE I - DELETE PARAGRAPH C AND LAST SENTENCE OF PARAGRAPH E (19-213.1d)

TRANSPORTATION APPROPRIATION CHARGEABLE (IF USE OF GBL AUTHORIZED AND IF NOT OTHERWISE DIRECTED

**	**
( ) 57*3010 11*6300 P193995 46X S503000	( ) 57*3060 17*6300 P846980 46X S503000
( ) 57*3010 11*6300 P189951 46X S503000	( ) 57*3080 17*6300 P875100 46X S503000
( ) 57*3010 11*6300 P189959 46X S503000	( ) 57*3080 17*6300 P875900 46X S503000
( ) 57*3020 15*6300 P299995 46X S503000	( ) 57*3400 30* 6350 18850K 07 46X S503000
( ) 57*3020 15*6300 P289951 46X S503000	( ) 57*3400 30* 6350 18850H 07 46X S503000
( ) 57*3020 15*6300 P289959 46X S503000	( ) 57*3400 55* 4157 448.05 46X S503000
( ) 57*3080 17*6300 P815980 46X S503000	( ) ***
( ) 57*3080 17*6300 P825980 46X S503000	( ) 57-1191080XX1 388 6350 L10 46X S503000
( ) 57*3080 17*6300 P837980 46X S503000	( ) 57X4921.00 6H 63 FD2060 463 S503300
( ) _____	( ) 57X4921.07 6C 63 FD2060 463 S503300

*NOTE: INSERT CURRENT FISCAL YEAR IN PLACE OF ASTERISK.

**NOTE: WHEN SHIPPED BY COMMERCIAL AIR CHANGE 46X TO 462; WHEN SHIPPED BY SURFACE CHANGE TO 463.

***NOTE: INSERT APPROPRIATE COUNTRY CODE IN PLACE OF XX (AFM 75-2, TABLE 318-5)

EVALUATION OF TRANSPORTATION COST FACTORS

CONTRACTING OFFICER: Complete items 1, 2, and 3; and columns a through i.
TRANSPORTATION OFFICER: Complete items 4 and 5; and columns j through m.

1. PR, PD OR MIPR NUMBER	2. SOLICITATION NUMBER	3. DATE REQUIRED	4. UNIFORM FREIGHT CLASS	5. NATL MOTOR FREIGHT CLASS

BIDDER'S NAME a	ITEM NO. b	ORIGIN c	DESTINATION d	NO. OF SHPMTS e	QTY f	NUMBER OF UNITS PER CONTAINER g	WEIGHT OF EACH CONTAINER (lbs) h	SIZE OF CONTAINER IN INCHES (L.W.H.) i	GROSS SHIPPING WEIGHT j	FRT RATE PER* k	DIFFERENTIAL l	TOTAL COST OF TRANSP. m

TYPED NAME OF CONTRACTING OFFICER	TELEPHONE EXTENSION	TYPED NAME OF TRANSPORTATION OFFICER	TELEPHONE EXTENSION
SIGNATURE	DATE SIGNED	SIGNATURE	DATE SIGNED

* Column k, use the following codes: R – RAIL T – TRUCK A – AIR

tion/acceptance function. Unless otherwise specified, the inspection/acceptance function at origin shall be limited to examination of: (1) type and kind, (2) quantity; and (3) condition. If the second CLIN/ ELIN/ SUBLINE does not require inspection and acceptance and it is not separately priced, a letter of transmittal may be used as an alternate to a DD Form 250.

16–816 Identical Bid Report for Procurement (Form DJ–1500). This form shall be used in reporting identical bids, pursuant to 1–114.

16–817 Abstract Forms. DD Forms 1501, 1501c, and 1501–1, Abstract of Bids, shall be used to record the bid or proposal evaluation information as required in 1–308, 2–403, and 3–109. In preparing these forms, the extra columns and the continuation sheet may be used to label and record such information as the procuring activity deems necessary.

16–818 Inventory Schedules (DD Forms 542, 543, 544, and 545). The following forms are prescribed for use by contractors to report contractor inventory for disposition and to support settlement proposals submitted on DD Form 540, 541, or 547:

(i) DD Form 542 (Inventory Schedule A—Metals in Mill Product Form) and DD Form 542c (Continuation Sheet);

(ii) DD Form 543 (Inventory Schedule B—Raw Materials) and DD Form 543c (Continuation Sheet);

(iii) DD Form 544 (Inventory Schedule C—Work in Process) and DD Form 544c (Continuation Sheet); and

(iv) DD Form 545 (Inventory Schedule D—Dies, Jigs, Fixtures, etc., and Special Tools) and DD Form 545c (Continuation Sheet).

16–819 Material Inspection and Receiving Report (MIRR) (DD Form 250 Series). DD Forms 250, 250c and 250–1 shall be used as required by 7–104.62 and Appendix I.

16–820 Transportation Data for IFB's and RFP's (DD Form 1653). This form, which will contain recommendations to the PCO concerning f.o.b. terms best suited for the procurement, and other suggested transportation provisions including mail and freight shipping information relative to proper points of consignment of supplies for inclusion in the IFB/RFP, shall be completed upon request of the PCO by the transportation specialist, for association with the appropriate purchase request. Mail and freight shipping information generally will be obtained from the Terminal Facilities Guides published by Military Traffic Management and Terminal Service (MTMTS). When appropriate, DD Form 1653 will also include information on combined port handling and transportation charges to be included in the IFB/RFP in connection with export shipments.

16–821 Reserved.

16–822 Evaluation of Transportation Cost Factors (DD Form 1654). This form permits procurement personnel to furnish basic information to the transportation office for development of transportation cost factors which shall be used by

the procuring contracting officer in the evaluation of f.o.b. origin bids or proposals.

16–823 Application for US Government Bill(s) of Lading / Domestic Route Order / Export Traffic Release (DD Form 1659). DD Form 1659 (four page carbon interleaf) shall be prepared by the contractor for submission of advance shipping data to the cognizant contract administration office. In response, the transportation office of the contract administration office shall furnish the required U.S. Government Bill of Lading, Domestic Route Order, or Export Traffic Release, when necessary, required for use in connection with the Government contract.

16–824 Report of Government (DoD) Facilities (DD Form 1662). DD Form 1662 is prescribed for use by contractors to report annually the total acquisition cost of Government (DoD) Facilities and the quantity of IPE in their possession or control including facilities at alternate locations of the prime contractor or at subcontractor plants for which the prime contractor is accountable (see B–311 and C–311). Local reproduction of DD Form 1662 is authorized.

16–825 Reserved.

16–826 Delay in Delivery (Flash Notice) (DD Form 375–2). This form shall be used as directed in 25–203.

16–827 Management Systems Summary List (DD Form 1660).

16–827.1 A DD Form 1660 and the clause set forth in 7–104.50 shall be included in all solicitations and contracts which are estimated to exceed $1,000,000 and use management systems other than those required by ASPR (see 1–331). The DD Form 1660 shall list each management system required by the contract except those required by a clause set forth in this Regulation.

16–827.2 The DD Form 1660 shall be prepared and used in accordance with the following:

(a) Each entry shall be selected from the Acquisition Management Systems and Data Requirements Control List (AMSDL), DoD Directive 5000.19–L, Volume II.

(b) Entries on the DD Form 1660 shall be made as follows:

Item 1. Number the entries sequentially.

Item 2. Transcribe the document numbers from the AMSDL (DODD 5000.19–L, Volume II).

Item 3. Transcribe the document date from the AMSDL.

Item 4. Transcribe the document title from the AMSDL.

Item 5. Enter the date of the AMSDL edition which lists the documents. This should be the date of the most current edition, except in the case of on-going programs when a previously applied management system subsequently deleted, is being continued.

Item 6. Enter the AMSC (Acquisition Management System Control) number, or cite authority to use management system not authorized.

Item 7. Leave Blank.

Item 8. Enter the DD Form 1423 exhibit line item number (ELIN) for each data requirement to be derived from the management system. Show the data item description number from the DD Form 1664, Data Item Description.

CHAPTER 102

GENERAL TRAFFIC MANAGEMENT POLICIES

102001 General. This chapter promulgates basic policies governing the utilization of commercial transportation services by the military departments and other DOD components within CONUS.

102002 Utilization of Commercial Transportation Service. Commercial transportation service will be employed by DOD components for the movement of persons and things between points within CONUS when such service is available or readily obtainable and satisfactorily capable of meeting military requirements.

102003 Selection of Carriers or Modes of Transportation. In the employment of military-owned transportation and in the procurement of commercial transportation, the economic resources of the military services will not be employed in such a manner as to affect adversely the economic well-being of the commercial transportation industry. In the selection of commercial carriers, the means of transportation selected will be that which produces the lowest overall cost consistent with military requirements and the transportation policy as expressed by the Congress (app C), contingent upon carrier ability to provide safe, adequate, and efficient transportation. See paragraph 3-3, DOD Regulation 4500.32-R, MILSTAMP, for additional guidance for selection of mode of transportation of things.

102004 Equal Consideration of all Modes of Transportation. In view of the reliance of the military services during periods of mobilization or war on all modes of transportation, no preferential consideration will be accorded one mode of transportation as against another in the routine procurement of transportation.

102005 Promise of Tonnage or Passengers. No promise or guarantee of tonnage or passengers shall be made to individual carriers or carrier groups or associations. This will not prohibit dissemination of information as to potential military requirements if such information does not compromise national security.

102006 Failure of Carrier To Meet Military Requirements. When the services of a carrier fail to meet military operating requirements and notice to the carrier confirmed in writing does not result in satisfactory improvement in the service, the transportation officer will immediately report the nature of the deficiencies with copies of the complaints filed with the carrier to the appropriate area/field office commander, MTMTS, for further action (para 213006).

102007 Discontinuance or Restriction of the Use of Carrier's Service. *a. Operating Authority.* Discontinuance of the use of a carrier's service based on interpretation of operating authority will not be accomplished without prior approval of the Commander, MTMTS.

b. Rail Transportation Service. Prior to initiating action to discontinue or action that would restrict physical railroad service connections between a military installation and the serving carrier's owned or leased right of way, commanders of military installations or activities will advise the Commander, MTMTS, through the appropriate military service headquarters of the contemplated action, if traffic management implications are involved. The Commander, MTMTS, will—

(1) Evaluate the impact of proposed actions and their effect upon economical and efficient performance of traffic management functions.

(2) Furnish the result of the evaluation to the commander of the installation or activity through the military service concerned.

102008 Routing By Canadian Railroads. Routings by Canadian railroads between points in the United States will be made by the usual and customary routes keeping in mind cost, safety, expedi-

tion, equipment supply, procurement regulations, and military necessity.

102009 Statutory Responsibilities. Administrative procedures will not be effected nor action taken which result in an assumption of statutory responsibilities vested in transportation regulatory or supervisory agencies.

102010 Installation Site Selection, Activation, Expansion, Reduction, Deactivation or Change of Mission. Departmental authorities responsible for site selection, activation, expansion, reduction, or deactivation, or any change in the mission of a military-owned or military-sponsored installation or industrial facility that will result in significant change in the origin, destination or volume of movement of material or personnel, will request information as to transportation rates, costs and other traffic management data from the Commander, MTMTS, to enable due consideration of these factors. The Commander, MTMTS, will be requested to furnish such assistance during the planning stage, and additionally, will be notified sufficiently in advance of final decision to enable essential negotiations with commercial carriers for proper rates, and other related traffic management services.

102011 Commercial Carrier Facilities and Services. *a. New or Additional Facilities or Services.* Except as provided in *c* below, negotiations with commercial carriers for new or additional carrier facilities, schedules, agreements, or services will be conducted by the Commander, MTMTS.

b. Contract Carriage. When a military shipper concludes that a need exists for contract carriage within the United States, the requirement, along with all pertinent information regarding the traffic involved, will be submitted through the cognizant MTMTS area commander to the Commander, MTMTS, for appropriate action (chap 108, 201, and 203.)

c. Switching or Trackage Agreements at Military Installations. The rights and obligations of carriers and their customers in the performance of switching services normally are matters which are the subject of tariff provisions and are in the realm of general law; however, upon request of the carrier, or where it has been determined that a formal switching agreement would be in the best interest of the Government, such agreements may be negotiated. When an agreement already exists it will be renegotiated whenever it appears to be in the best interest of the Government. Transportation officers will—

(1) Conduct initial negotiations with carriers for switching or trackage agreements using as guidance the format shown in appendix I.

(2) Review and reevaluate existing agreements at timely intervals (not to exceed 1 year) to determine whether benefits to the Government could be effected through renegotiation.

(3) Request assistance through appropriate channels of the military service concerned to the Commander, MTMTS, whenever differences with carriers cannot be satisfactorily resolved. A request for assistance will include the following:

(*a*) An engineer's map of the installation with interchange points and points where cars are loaded or unloaded clearly indicated.

(*b*) Average number of line-haul cars handled each day.

(*c*) A statement whether intraplant operating conditions meet with the approval of the carrier.

(*d*) Average daily intraplant switching in terms of the number of cars moved from one location to another.

(*e*) Cost of present Government switching operations at the installation, including all costs of crews, fuel, and maintenance.

(*f*) Reference to the applicable tariff and tariff item number, note(s), rule(s), etc.

(*g*) Complete record of actions taken and results accomplished by the transportation officer in negotiating with the carrier.

(*h*) The basis for the determination that the switching agreement is beneficial to the Government.

(*i*) All other pertinent information.

(4) Forward new or revised agreements, prior to execution, through appropriate channels of the military service concerned to the Commander, MTMTS, for review and approval.

d. Construction, Maintenance, or Repair of Facilities. Nothing in this regulation will be construed to conflict with the assigned responsibilities of the Chief of Engineers of the Department of the Army, or corresponding officer of the other

military departments, pertaining to construction, maintenance, or repair of facilities.

102012 Consideration of Traffic Management Factors. Traffic management factors involved in the procurement and distribution of supplies and the movement of personnel will be obtained from MTMTS and considered by officials responsible for making decisions in these areas (para 104001).

102013 Reduction of Crosshauling and Backhauling. Crosshauling is the concurrent shipment of material of the same kind in reverse directions. Backhauling is the shipment of material from a geographical area to or through another geographical area from which the material previously had been shipped. Crosshauling and backhauling result in the dissipation of transportation funds and the nonproductive use of transportation resources. In performing assigned traffic management functions constant alert will be maintained to detect instances of apparent crosshauling and backhauling. These movements will be brought to the attention of the responsible shipping authorities for verification and such corrective measures as the circumstances may warrant.

102014 Selection of the Lowest Overall Cost Route for Export Ocean Freight Traffic. *a. General.* Routing of export cargo involves consideration of operational and cost factors from inland points of origin within the continental United States to the oversea port of discharge designated by the military service owing or sponsoring the cargo when through transportation service to the final destination is not available or to the oversea destination of the shipment when through transportation service to such destination is available. The lowest overall cost of shipment can be determined only by evaluating and comparing the various prospective delivered costs, or costs to port of discharge, as applicable.

b. Policy. Consistent with operational considerations of the interested military services and agencies, routing of export ocean freight traffic will be effected to obtain the lowest transportation cost to the oversea port of discharge designated by the agency or service owning or sponsoring the cargo, or to obtain the lowest delivered transportation cost by any available type or combination of services when through transportation service is available. Determination as to lowest overall cost routes will be made as shipments originate.

c. Definitions. Definitions are as follows:

(1) Delivered transportation cost for export ocean freight traffic is the cost from CONUS inland point or port of origin to the oversea destination of the shipment. Delivered transportation cost for shipments not moving in through transportation service is the aggregate of charges for inland CONUS transportation, CONUS terminal handling, ocean transport, terminal handling at the oversea port of discharge, and transportation from the oversea port of discharge to the oversea destination. Delivered transportation cost for through transportation service consists of the cost as specified in the applicable through transportation tariff, tender or agreement, plus any costs, when applicable, for additional CONUS or overseas transportation or terminal handling which may be required for delivery to the oversea destination.

(2) Cost to port of discharge consists of the aggregate of charges for inland CONUS transportation, CONUS port handling, and ocean transportation to the overseas port of discharge, but does not include cost of overseas discharge or other port handling.

(3) Through transportation service is transportation of DOD cargo from CONUS origin to an overseas point involving commercial transportation mode(s) or service(s) which provides through carriage under a single document. As used herein this includes through movement of containers under Military Sea Transportation Service (MSTS) contracts and/or shipping agreements or through Government bills of lading, but does not include shipments of uncrated household goods.

(4) Shipper services as used herein are the military services and agencies of the DOD generating, owning, or sponsoring cargo for export by ocean transport.

d. Cost Factors. Inland CONUS transportation costs, and CONUS terminal charges, other than those included as part of the ocean carrier charges, will be determined by the Commander, MTMTS. Ocean transportation costs and other ocean carrier charges, as applicable, will be determined by the Commander, MSTS, and will be furnished to the Commander, MTMTS, who will obtain overseas port terminal charges and overseas inland trans-

portation costs from overseas commanders, as required. Costs for through transportation service will be determined by the Commander, MTMTS, from the applicable tariffs, tenders, or agreements. The CONUS port handling and ocean transportation costs (excluding overseas discharge costs) are provided in DA Pamphlet 55-5, Worldwide Cargo Transportation Costs Guide, for use in the determination of the lowest overall cost routes and CONUS ports of export.

e. Operational Factors. The shipper services, MSTS, and overseas military commanders will provide essential logistical information to the Commander, MTMTS, to insure that operational factors, in addition to the cost factors given above, are considered in determining the lowest overall cost route for export ocean freight traffic.

f. Coordination. The Commander, MSTS, and the Commander, MTMTS, will assure that liaison between their respective agencies, the shipper services, and oversea commands, is established and continuously exercised so that coordination procedures will be adequately and effectively carried out.

CHAPTER 103

APPOINTMENT OF TRANSPORTATION OFFICERS, TRANSPORTATION AGENTS, AND ACTING TRANSPORTATION OFFICERS

103001 Appointments. *a. Transportation Officers.*

(1) *When required.* At each military activity at which it is necessary to obtain transportation service from commercial carriers, a qualified person will be appointed transporation officer in accordance with established procedures of the respective military services.

(2) *Responsibility to activity to which assigned.* Transportation officers are members of the technical staff of the commander of the military activity to which assigned. The commercial traffic management functions of transportation officers in connection with traffic moving between points within CONUS are under the technical supervision of the Commander, MTMTS. This technical supervision may be exercised through rea/field office commanders, MTMTS.

b. Transportation Agents.

(1) *Assistants to transportation officers.* Upon the request of an appointed transportation officer, one or more persons (military or civilian employees of the Government) may be appointed by the commander of the activity as transportation agents to assist the transportation officer. Transportation officers will be responsible for the actions of their transportation agents. Transportation agents will not be required to be bonded.

(2) *Signature on transportation documents.* In the performance of assigned duties under the terms of his appointment, a transportation agent will sign transportation documents in the following manner:

(*a*) When transportation documents (bills of lading, transportation requests, certification of bills for accessorial transportation charges and comparable documents) or annotations thereon are required to be signed by the transportation agent in the name of the transportation officer or issuing officer, and the name and title of the appropriate officer are shown on such documents, the signature of the transportation agent will be followed by "T.A. for T.O." or its equivalent. When the appropriate officer's name and title are not shown on the transportation document, the signature of the transportation agent will be followed by a legend similar to the following: T.A. for John Doe, Captain, TC, T.O.

(*b*) When the transportation agent is authorized to sign transportation documents in his own name during the performance of transportation functions, only his signature, name, and title need appear.

c. Transportation Officers With Limited Authority. Military personnel and civilian employees may be appointed by the commander of the activity as transportation officers or acting transportation officers for the purpose of performing limited transportation duties such as issuance of transportation requests and/or meal tickets for their own travel and for other persons when traveling in a group.

CHAPTER 104

DUTIES OF TRANSPORTATION OFFICERS

104001 Responsibilities. In addition to other miscellaneous duties which are a part of the transportation of personnel and property, transportation officers will be responsible for the following traffic management duties:

a. Liaison With Local Carriers. Official liaison with all carriers serving the activity and for local arrangement necessary for the movement of property and persons by commercial carriers.

b. Custody and Shipments. Custody and centralized control over all outbound shipments from the time released by the base supply officer until delivered to the carrier; and all inbound shipments from the time delivered by the carrier until delivered to the base supply officer.

c. Bills of Lading. Custody of, accounting for, issuing, converting, and accomplishing of Government bills of lading.

d. Transportation Control and Movement Document (TCMD). Preparation and transmission of TCMD's for all shipments from his activity when required by MILSTAMP, DOD Regulation 4500.32 R.

e. Routing, Expediting. Routing, tracing, expediting, consolidating, diverting, and obtaining shipping releases in accordance with applicable directives.

f. Transportation Requests and Meal Tickets. Custody of, accounting for, and issuing of transportation requests and meal tickets.

g. Travel Service.

(1) Furnishing travel information and obtain passenger accommodations for persons traveling on official business in commercial carrier equipment specified in chapters 304, 306, 310, and 316.

(2) Furnishing travel information and, when required, assisting in obtaining passenger accommodations for military personnel traveling on authorized leave, liberty, furlough, or pass by all transportation modes.

h. Packing, Crating, Marking. Providing technical advice for assuring conformity with packing, crating, marking, stowage, dimensional clearance and weight limitation of shipments with requirements of the carrier to be used.

i. Loading and Unloading. Technical supervision of loading, unloading, and cleaning of carriers' equipment, and prompt release of equipment to avoid demurrage and detention charges.

j. Schedules, Services, and Charges. Maintaining familiarity with schedules, services, facilities, rates, fares, charges, and traffic agreements of commercial carriers. Inadequacies will be reported through channels to the Commander, MTMTS.

k. Demurrage Records. Maintenance of demurrage records and checking of demurrage accounts.

l. Transportation Discrepancies in Shipments. Preparation and distribution of SF 361, Discrepancy in Shipment Report (DISREP), and other actions in connection with the reporting, resolving, and prevention of over, short, damaged lost, or astray military freight.

m. Reporting Information for Negotiation Purposes. Reporting of planned volume movements and other opportunities for negotiations with commercial carriers as required in paragraphs 201004 through 201010.

n. Reports. Preparing and forwarding transportation reports and information required by higher authority.

o. Description of Terminal Facilities (Reports Control Symbol MTMTS-11).

(1) *Purpose and scope.* This report provides information concerning the receiving capability of military activities (including commercial contractors). The data will be used by shipping activities of the Department of Defense engaged in the movement of freight and passengers to DOD activities and to commercial contractors located in the continental United States. Data are published in Terminal Facilities Guides applicable to activities of Army (AR 55-357/NAVSUP Pub 419/MCO P4600.10/DSAH 4500.1/CG 376), Navy, Marine, and Coast Guard (AR 55-358/NAVSUP Pub 415/MCO P4600.9/DSAH 4500.2/CG 376), Air

Force (AR55-359/NAVSUP Pub 447/MCO P4600.11/DSAH 4510.3/CG 376), Department of Defense Activities Other Than Activities of a Specific Military Service (AR 55-354/NAVSUP Pub 448/DSAH 4510.4), and Commercial Contractors (AR 55-365/NAVSUP Pub 446/AFM 75-32/DSAH 4510.5).

(2) *Preparing elements.* CONUS transportation officers.

(3) *Frequency.* Reports will be prepared when currently published terminal facilities information needs to be revised due to changes in the receiving capability of the activity or when terminal facilities information for an additional activity needs to be published.

(4) *Number of copies and routing.* Reports will be submitted in triplicate to the appropriate MTMTS area/field office.

(5) *Preparation instructions.* Reporting installations and activities will carefully follow the checklist and simulated example shown in appendixes N and O. The checklist (app N) prescribes the standard items of information desired. The scheme of presentation and terminology used in the simulated example (app O) are to be followed as closely as possible. "Consignee" information is not a standard checklist item inasmuch as shipments ordinarily are consigned to the transportation officer of the installation concerned; therefore, consignment instructions will be furnished only in those instances when the consignee is other than the transportation officer of the installation concerned. Names of major tenant or satellite activities furnished traffic management services by an installation transportation officer will be included. Any major tenant or satellite terminal facility information that differs from that of the host installation also will be submitted. When submitting proposed changes to currently published terminal facilities information, only the affected information which is to be revised will be furnished.

p. Suspicion of Fraud or Criminal Conduct. Whenever the actions of a carrier arouse a suspicion of fraud or criminal conduct, prompt reporting of such information pursuant to departmental directives. General procedures are set forth in Part 6, Section I, Armed Services Procurement Regulation. Specific reporting procedures are set forth in Army Procurement Procedure 1-650, Air Force Procurement Instruction 1-650 and Navy Procurement Directive 1-111.50. An informational copy of the report will be furnished to the Commander, MTMTS.

q. Traffic Management Advice. Providing or assuring the provision of traffic management advice to officials responsible for making decisions pertaining to procurement and distribution actions and the movement of personnel. The transportation officer will obtain technical traffic management advice from MTMTS as necessary.

r. Requests for Field Assistance Visits. Initiating requests for field assistance visits to be made by the appropriate area/field office of MTMTS whenever traffic management problems pertaining to procurement or the movement of material or personnel warrant person-to-person contact (chap. 110).

s. Change in Installation Status or Mission. Furnishing to the appropriate area commander, MTMTS, at the earliest practical date, information concerning major changes in status or mission, either contemplated or actual, which will affect the movement of traffic to and/or from hi installation. This should include such actions as expansion, deactivation or other significant mission changes. Advance knowledge of this type would materially assist the area commander in determining whether negotiations with commercial carriers should be initiated (para 201004) and in general will enable MTMTS to provide more effective traffic management support.

t. Transportation Capability. Furnishing to the chief transportation officer of his service and the appropriate area commander, MTMTS, (para 223007 and 223008), information concerning the capability of the installation to ship or receive freight or passengers because of national, regional or local emergencies or because of congestion, disaster, strike or operational conditions.

u. Other. Such other traffic management duties as may be appropriately assigned.

104002 Assistance from MTMTS Area Commanders. Transportation officers may request technical advice and support from the MTMTS area commander serving their activities in the event assistance is needed in performing their traffic management duties. (Areas served by the MTMTS area commanders are shown in para 108002.)

CHAPTER 214

BILLS OF LADING

Section I. GENERAL

214001 Purpose and Scope. This chapter governs the use, issuance, preparation, distribution, and accomplishment of Government bills of lading in the initiation and receipt of shipments. Section II through XIII contain instructions applicable to transportation by commercial carriers. Section XIV contains instructions applicable to transportation by MOV service (para 109012). Section XV contains instructions for documentation procedures under commercial carrier strikes or other abnormal conditions. Section XVI contains instructions applicable to the use of DD Form 1536 for transportation of certain small shipments.

214002 Responsibility. The Commander, MTMTS, is responsible for administrative procedures in the use of Government bills of lading in the procurement of commercial transportation services on behalf of DOD.

214003 Basic Authority for Use of Government Bills of Lading and Related Forms. Standard forms of Government bills of lading, related documents, and procedures governing their use, are prescribed by The Comptroller General of the United States and are assigned for use throughout the Government service.

214004 Prescribed U.S. Government Bills of Lading and Related Forms. *a. Basic Sets of Forms.* The standard forms listed below have been prescribed for use in the preparation of the following:

(1) The U.S. Government Bill of Lading.

(2) The U.S. Government Transit Bill of Lading.

(3) Temporary Receipt in Lieu of U.S. Government Bill of Lading.

(4) Certificate in Lieu of Lost U.S. Government Bill of Lading.

These forms are printed and identified as follows:

Standard Form Numbers

Item No.	Description of forms	U.S. Government Bill of Lading	U.S. Government Transit Bill of Lading	Continuation sheet	Related forms
1	Original	1103	1131	1109	
2	Shipping Order	1104	1132	1110	
3	Freight Waybill—Original	1105	1133	1111	
4	Freight Waybill—Carriers Copy	1106	1134	1112	
5	*Memorandum (See para 214062d)*	1103*a*	1131*a*	1109*a*	
6	Memorandum—Property Shipped Copy	1103*a*	1131*a*	1109*a*	
7	Memorandum—Property Received Copy	1103*a*	1131*a*	1109*a*	
8	Temporary Receipt in Lieu of U.S. Government Bill of Lading				1107
9	Certificate in Lieu of Lost U.S. Government Bill of Lading—Original				1108
10	Memorandum Copy				1108*a*

b. Continuation Sheets. Continuation sheets, which are for use when there is not space on the bill of lading for the required data covering articles shipped, will show the prefix symbol and bill of lading number. These sheets will be numbered according to the number of sets required: *for example:* 2 of 2, 2 of 3, etc.

c. Memorandum Copies. Memorandum copies of the Government bill of lading, in addition to those provided in the set, may be used when required for distribution. However, in the interest of economy, the number of such memorandum copies should be kept to a minimum.

214005 Supply of Forms. Requisitions for bill of lading and related forms will be submitted through normal publications supply channels. Transportation officers are responsible for maintaining an adequate supply of these forms at their installations. In the Department of the Air Force, requisitions for bills of lading and related forms will be submitted through publications distribution channels.

214006 Accountability for Bill of Lading Forms. *a. Each Shipper Department To Keep Record.* Each shipper department will keep proper records of bills of lading issued and the supply on hand. This is for the purpose of controlling stocks and fixing accountability with the personnel responsible for the issuance and use of bills of lading. To facilitate such control, bill of lading forms are serially numbered when printed. The numbers are immediately preceded by symbol letters which are approved by the Comptroller General of the United States and must always be included in any reference to a Government bill of lading number.

b. Transfer of Forms. Blank, serially numbered, original bills of lading or preassembled sets which have been issued to transportation officers or their designated agents may be transferred only to transportation officers or their agents.

c. Disposition of Unfit Copies. When bills of lading have become mutilated or otherwise unfit for use, all parts except the Original will be destroyed. The Original bill of lading will be marked "Cancelled" or "Void" and will be filed in the property shipped bill of lading file. When circumstances prevent filing of the cancelled or voided original document, the property shipped copy or a substitute memorandum copy with appropriate notation of disposition of the original bill of lading, will be filed in a property shipped file.

d. Reporting of Lost, Stolen, or Missing Bills of Lading. The prefix symbol and serial numbers of blank original bills of lading or preassembled sets which have become lost, stolen, or are unaccountably missing or otherwise beyond the control of the issuing officer, will be reported to the disbursing officer responsible for payment of transportation accounts.

e. Recovery of Lost, Stolen, or Missing Bills of Lading. When bills of lading reported as lost, stolen, or missing are recovered, they will not be placed in stock and used unless the number recovered is 20 or more. In this case, the symbols and serial numbers will be reported to the proper disbursing officer. Quantities less than 20 will be recorded as prescribed in *c* above and then destroyed.

Section II. USE OF GOVERNMENT BILLS OF LADING

214007 General. The Government bill of lading is used for the procurement of transportation and related services from commercial carriers when the charges for such services are properly payable by the Government directly to carriers concerned. The scope of this general requirement and exceptions thereto are further explained and qualified in this section.

214008 Kind of Bill of Lading To Be Used. *a. Authority for Shipment.* The transportation officer will ascertain from the terms of the purchase order or contract whether shipment is to be made on a Government bill of lading.

b. Shipments Not To Be Prepaid. Shipments for which transportation at Government expense is authorized will not be prepaid by vendors or contractors except as authorized by the military departments.

214009 When Government Bills of Lading Are Required. Government bills of lading are required in connection with all line-haul movements by commercial carriers between points in the conti-

nental United States for which the Government is responsible for payment of transportation charges directly to the carriers concerned. See paragraphs 214073 and 214077 for procedures governing the use of commercial bills of lading to be converted to Government bills of lading.

214010 When Government Bills of Lading May Be Used. In addition to those instances covered by paragraph 214009, Government bills of lading may be used—

a. When it is found practicable by the activity in the procurement of local switching, intracity drayage, or other local handling services provided such services are independent of or separate from service provided by carriers on line-haul movement and such service is covered by carrier tariff, schedule, or tender. See chapter 218 for instructions governing drayage obtained by contract, pickup, and delivery.

b. For shipments of books and musical instruments donated to or purchased for post, or company libraries, or chapels, from place where donated or nearest market to point of intended use.

c. For shipment of gymnastic and athletic appliances which are donated or purchased from exchange, regimental, or company funds, from point of donation or purchase to point of intended use.

d. For shipments of surplus property transferred from one Government agency to another, with charges payable by the receiving agency.

214011 When Government Bills of Lading May Not Be Used. Government bills of lading may not be used for—

a. Local drayage services procured under contract rates or charges (para 218007), or the procurement of services which are not primarily transportation services.

b. Shipments made to or from nonappropriated fund activities, such as base or post exchanges, theaters, etc., except when transportation charges are payable from appropriated funds.

c. Shipments of supplies purchased from regimental, company, or hospital funds, from point of purchase to location of purchasing unit, except as provided in paragraph 214010. (Such material may be later shipped on a Government bill of lading upon change of station by unit or organization.)

d. Shipments of—

(1) Surplus property when sold f.o.b. origin (para 219011).

(2) Surplus property when consigned to a State or municipally operated organization or institution, other than a National Guard organization, unless the terms of sale or transfer require shipment at Government expense.

(3) Material procured subject to inspection at destination when the material has been inspected and rejected at destination, unless instructions to the contrary are provided by appropriate contracting authority.

(4) Material received in excess of quantities authorized by the procurement contract, unless the terms of the contract provide for reshipment at Government expense.

(5) Test items owned by and returned to the contractor unless provisions for shipment at Government expense have been authorized by appropriate authority.

Transportation officers will not perform routing functions or prepare commercial shipping documents for the material described in (1) and (2) above. When completed shipping documents are received from the shipper or his agent, the transportation officer may facilitate the shipment by notifying the carrier and by performing other incidental assistance. When performing routing functions and preparing commercial shipping documents for the material described in (3), (4), and (5) above, the contractor will be shown as the shipper per "name of transportation officer."

e. Personal baggage checked on tickets issued on transportation requests, unless required by tariff in connection with exceptional classes of property.

f. Parcel post shipments.

g. Movement of empty military interchange rail cars (para 208014 and 208016).

214012 Uniform Order Bills of Lading Prohibited. The use of a commercial uniform order bill of lading for any shipment tendered to a carrier is prohibited.

214013 Use of Bill of Lading for Shipments Requiring More Than One Unit of Transportation Equipment. *a. One Bill of Lading.* When a shipment requiring the use of more than one

unit of transportation equipment is tendered to a carrier at one time as available for transportation and the necessary information such as receipt by a carrier, certificate of delivery by consignee, and other data, can be shown on a single bill of lading, only one bill of lading will be issued for the entire shipment. The number of each unit of equipment and the quantity of freight loaded in or on each unit must be shown on the bill of lading.

b. More Than One Bill of Lading. When a volume shipment requiring the use of more than one unit of transportation equipment is tendered to a carrier at one time as available for transportation, and more than one bill of lading is required to provide the necessary evidence of receipt by the carrier, delivery to consignee, and other data, each bill of lading so issued will, for the purpose of protecting the volume rate which applies, be cross-referenced to indicate clearly that it covers a portion of a volume shipment subject to the volume rate which applies to the entire shipment. When planning for shipments under the foregoing provisions the number of cross referenced bills of lading covering a volume shipment should be held to a minimum; however, sufficient tonnage to meet the volume minimum weight requirements should be tendered at one time in order to protect the volume rate.

c. Cross-Referencing. The first and each succeeding bill of lading covering a portion of volume shipment will be cross-referenced as follows:

(1) FIRST BILL OF LADING ISSUED TO COVER PORTION OF VOLUME SHIPMENT TENDERED CARRIER _____ COMPRISING APPROXIMATELY _____ POUNDS.
(Date)

(2) SECOND (and succeeding) BILL OF LADING ISSUED TO COVER PORTION OF VOLUME SHIPMENT TENDERED CARRIER _____ COMPRISING APPROXIMATELY _____ POUNDS. THE FIRST PART OF WHICH MOVED ON BILL(S) OF LADING NO(S). _____
(Date)
(Symbol and serial number and date)

(3) FINAL BILL OF LADING ISSUED TO COVER REMAINDER OF A VOLUME SHIPMENT TENERED CARRIER _____ COMPRISING: _____
(Date)
POUNDS. THE FIRST PART OF WHICH MOVED ON BILL(S) of LADING NO(S).

_____
(Symbol and serial number and date)

d. Overflow Shipments. After a car or vehicle has been loaded to capacity, an additional bill of lading is not required for the remaining excess or overflow portion of a shipment which is less than car or vehicle capacity under the following circumstances:

(1) When the remainder of a rail shipment on which the authorized minimum weight is 30,000 pounds or more must be loaded in a separate car, the bill of lading covering the car loaded to capacity will be referenced to show the number and initial(s) of the car containing the excess or overflow. Rule 24 of the applicable rail classification must be consulted for exceptions and detailed provisions.

(2) When the remainder of a motor shipment on which there is an authorized truckload or volume minimum weight must be loaded into a separate vehicle, in general the bill of lading covering the vehicle loaded to capacity will be annotated to show the weight of the excess or overflow. The applicable tariff provisions must be determined as the required annotation varies.

e. Long and Bulky Articles. When two or more cars are required for the loading of long and bulky articles, only one bill of lading will be issued and referenced to show the numbers and initials of all cars used. See Rule 29 of the governing freight classification for specific application.

f. Two Cars Furnished in Lieu of One. When, for carrier's convenience, two smaller cars are furnished in lieu of a larger car ordered, only one bill of lading will be used for the shipment. The bill of lading will be referenced to show the numbers and initials of both cars and the quantity of freight loaded in or on each car. See Rule 31 of the governing freight classification for specific application.

g. Shipments of Component Parts.

(1) *When entire shipment can be moved on one bill of lading.* When several component parts which are required for the completion of a single article are shipped at one time, and all the necessary information can be shown on one bill of lading, only one bill of lading is required; except that the number of each unit of the carrier's equipment and the quantity of freight loaded in or on each unit will be shown on the bill of lading.

(2) *When more than one bill of lading is required.* When more than one bill of lading is

required for the movement of component parts necessary to complete a single article, the bills of lading covering the shipment will be cross-referenced and annotated as follows:

(*a*) FIRST BILL OF LADING TO COVER SHIPMENT OF COMPONENT PARTS REQUIRED TO COMPLETE _____
(Name of completed article)

(*b*) SECOND (or succeeding) BILL OF LADING TO COVER SHIPMENT OF COMPONENT PARTS REQUIRED TO COMPLETE _____
(Name of completed article)

FIRST (and succeeding) SHIPMENTS(S) MOVED ON BILL(S) OF LADING NO.(S) _____

h. Shipments of Assemblages.

(1) *When more than one bill of lading is required.* When an assemblage, such as equipment for a hospital, pontoon bridge, heavy lift crane, temporary pole line construction units, baking outfit, or fire-control equipment, is loaded on more than one car and covered by more than one bill of lading, each bill of lading will be cross-referenced as follows:

THIS CAR CONTAINS PORTION OF AN ASSEMBLAGE. OTHER PORTIONS SHIPPED IN/ON CARS _____
(Numbers and initial of cars)

ALL CARS MUST TRAVEL TOGETHER SO FAR AS PRACTICABLE.

(2) *Shipments destined to ports.* Bills of lading covering shipments af assemblages destined to ports will be annotated, except when specifically instructed otherwise:

THIS SHIPMENT MUST NOT BE SEPARATED. ANY DIVERSION ORDER SHOULD COVER ALL CARS. IF ANY CAR IS IN BAD ORDER, ALL CARS SHOULD BE SET OUT.

214014 Round-Trip Movements. A round-trip movement, whether covered by round-trip rates or other types of rate or charges, will be considered to be two separate shipments and will be documented accordingly. One bill of lading will be issued for the outbound shipment and a separate bill of lading will be issued for the return movement. However, each bill of lading will be appropriately cross-referenced to show that a round-trip movement is being made.

Section III. ISSUANCE OF GOVERNMENT BILL OF LADING

214015 General. *a. Persons Authorized To Issue Government Bills of Lading.* Only authorized transportation officers or acting transportation officers may issue Government bills of lading. Such authorized persons may be military personnel or civilian employees of the Government on duty at the issuing office (para 103001).

b. Supporting Documents. Transportation officers are authorized to issue a Government bill of lading provided there are available supporting DOD Single Line Item Release/Receipt Documents (DD Form 1348-1), or other acceptable shipment orders or documents. Contractual advice with supporting documentation will be required for shipments originating at commercial sources. The supporting documents will be identified on the bill of lading by the data required by paragraph 21036*c* and will be retained by the issuing office or activity for a period of time equal to that required for the retention of the Property Shipped copy of the bill of lading. After the retention period, such documents normally will be retired to the appropriate records center with the related Property Shipped copy of the bill of lading. These documents are essential to protect the rights and interests of the Government in the event of loss, damage, litigation or other dispute.

c. Responsibility for Accuracy. Persons furnishing supporting documents, contract data or other information to transportation officers are responsible for its accuracy. The accurate copying of this information on the bill of lading is the responsibility of the transportation officer. Any doubt as to the accuracy of such information will be resolved by the office in which doubt arises.

d. Issuance After Service Performed Prohibited. The issuance of a Government bill of lading after the service has been performed is prohibited, except for the following purposes:

(1) For conversion of commercial document.

(2) To authorize payment of additional charges resulting from the diversion or reconsignment of a line-haul shipment moving on a commercial prepaid bill of lading.

e. Issuance of Duplicate Bill of Lading Prohibited. The issuance of a duplicate of the original Government bill of lading is prohibited. When the original bill of lading is lost, the carrier can

secure payment of charges by the use of Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108 and 1108a), issued in accordance with section X.

f. Duplicate Numbered Bills of Lading.

(1) *Discovered before bills of lading are receipted by carrier.* If duplicate numbered bills of lading are discovered before one or both are receipted by the carrier, one set will be canceled and annotated "Duplicate Number." The original of the canceled bill of lading will be filed with the Property Shipped copy of the set used.

(2) *Discovered after bills of lading are receipted by carrier.* If the duplication is discovered after both bills of lading are receipted by the carrier, but while still in the possession of the issuing officer, one set will be annotated, "Duplicate Number but Valid" and signed by the responsible transportation officer.

(3) *Notice to disbursing officer.* If both bills of lading have left the possession of the issuing officer, the proper disbursing officer will be notified that two bills of lading bearing the same prefix symbol and serial number were issued and that both are valid.

g. Shipments for Other Government Departments. When shipments are to be made for other departments or agencies, the requiring department will normally furnish partially prepared bills of lading to the department providing the shipping service. However, when supplies are purchased under a single department procurement assignment in accordance with DOD instructions, Government bills of lading, when required, will generally be issued by the procuring department (see ASPR 4-215). When it is impractical for the requiring department or agency to furnish partially prepared bills of lading, they will be issued by the department providing the shipping service. The requiring department should furnish complete shipping instructions and transportation appropriation and accounting data. When this information has not been furnished, it will be obtained from the requiring department prior to the preparation of the bill of lading. The requiring department should also furnish the required distribution of bills of lading and the name and address of the disbursing officer to whom carriers should submit their bills for payment.

h. Recording of Shipments. The Property Shipped copies of Government bills of lading will be filed in a numerical sequence in the issuing office. Normally, this is an adequate method of recording outbound shipments.

Section IV. PREPARATION OF BILLS OF LADING

214016 General. This section prescribes the information to be shown on the original and all copies of the bill of lading. When more than one entry is required in a single space, such as two or more car numbers and initials, authority for shipment, marks, or appropriation chargeable, the space provided will bear the notation "see below" or "see above" and the information will be shown in the Description of Articles column immediately above the description of the shipment to which it applies. The administrative directions, conditions, and instructions on the reverse side of the Original Government bill of lading will be observed. As an aid in preparing Government bills of lading, cross-references to applicable paragraphs of this regulation are shown in figures 214-1 and 214-2.

214017 Execution of Forms. All copies in a set of forms making up the Government Bill of Lading (SF 1103 through SF 1106) and Government Transit Bill of Lading (SF 1131 through SF 1134), will be prepared at the same time by use of carbon paper or other efficient method. When several bills of lading bearing the same information are to be prepared, duplicating machines may be used to advantage. Since subsequent records are generally made photographically care will be exercised to produce legible copies for microfilming purposes. When loose or cut forms are used, one legible memorandum copy will be stamped "Property Received," another "Property Shipped," and another "MTMTS Copy" (para 214062*d*(1)).

214018 Prefix Symbols and Serial Numbers.

a. Prefix. The prefix symbol is a part of the bill of lading number and must be shown with the serial number.

b. EMERGENCY PROCEDURE Emergency Symbols. During periods of national or regional transportation emergency, the serial num-

ber and symbol identification of Government bills of lading issued for transportation into or within affected areas under General Orders ICC TM-2, 3, 4, and 11, military or commercial carrier embargoes, or issued under formal traffic allocation restrictions will be prefixed by the additional symbol "DD."

c. Unassembled Cut Forms. The prefix symbol and serial number appearing on the Original bill of lading will be added to all memorandum copies at the time a set of unassembled bill of lading forms is issued.

d. Preassembled Set. Each memorandum copy in a preassembled set bears the prefix and serial number of the Original bill of lading. When additional memorandum copies are added to the set, the prefix and serial numbers will be added to extra copies.

214019 Transportation Company—Tendered to. *a. General.* The full name of the initial line-haul carrier will be shown. If pickup service is performed by an agent of the carrier, the name of the agent will not be shown.

b. Transit Shipments. When shipments are accorded transit privileges at a point which is also a junction point for two or more carriers, the inbound line-haul carrier will be shown as the initial carrier on the outbound bill of lading, regardless of whether that carrier physically handles the outbound shipment (para 214028*f*).

c. Freight Forwarder Shipments (Domestic). Some freight forwarders confine the operations of their subsidiaries to specialized traffic (household goods, etc.) and restrict such operations to movements between specific points. When a parent forwarding company has filed a rate tender to cover specialized traffic in the name of a subsidiary, the name of the subsidiary company, followed by the name of the parent company, will be shown as the initial transportation company; for example: XYZ Forwarding Company (a division of ABC Carloading Corp., Inc.).

d. Express Shipments. For railway express shipments the name "REA Express" will be shown as the initial carrier on bill of lading. For air express shipments, the initial carrier will be shown as "REA Air Express." For bus express shipments the name of the carrier to whom the shipment is tendered will be shown.

e. Indication of Type of Service.

(1) *Motor carrier.* When a commercial motor carrier is engaged to transport military vehicles, the specific type of service, either "DRIVE-AWAY" or "TRUCKAWAY," will be shown in parentheses following the name of the carrier. The provisions of this paragraph do not apply to the shipment of trailers which are engaged in a service such as Roll-on Roll-off.

(2) *Air carrier.* When shipments move in a charter airlift, the word "charter" will be shown following the name of the air carrier.

214020 Traffic Control Numbers. *a. General.* The route order number, the export release number, and other symbols assigned to the movement will be shown. Dates of validity of such numbers will also be shown whenever they are specified.

b. EMERGENCY PROCEDURE—Permits. The DOD emergency permit (MTMTS route order or export release number containing the emergency identification prefix "DD") and, when assigned, the ICC, commercial carrier or military embargo permit authorization will be shown in the Traffic Control Number space (chap 109 and 223).

c. Local Emergency Routings.

(1) *Domestic.* In emergencies when a domestic shipment is routed under the provisions of paragraph 202011*d*, the designation "202011*d*" and the numerical designator prescribed in paragraph 202007*a*(6) for the routing authority that normally would have routed the shipment will be shown. An example of this symbol for an emergency routing that otherwise would have been routed by the Western Area is: "202011*d*-5." In addition, a notation explaining the exercise of emergency routing authority will be added to the MTMTS copy prescribed in paragraph 214062*d*. This will include a brief statement as to the nature of the emergency, the priority of the shipment, and the date the shipment is required at destination.

(2) *Export.* Export releases will not be altered or canceled by other than the releasing authority (para 202023).

d. Excepted Routing Authority. In instances when shipments are routed under an exception granted by the Commander, MTMTS (para 202002*a*) that is not the result of a national or regional transportation emergency as described in

chapter 109, the code designator in the letter granting the exception will be shown. (For example, bills of lading covering perishable subsistence will be marked "F" and bills of lading covering bulk aviation fuel will be marked "P.")

214021 Initials, Numbers, Sizes, and Capacities of Railroad Cars, Motor Vehicles, Aircraft, and Barges. *a. General.* When other than rail or motor carriers are used, the words "Car—Truck" shown in printed spaces on the bill of lading will be crossed out and the appropriate term such as "plane" or "barge" will be substituted to fit the mode of transportation.

b. Carload or Truckload.

(1) When only one car or vehicle is used, the initials and number of the car or vehicle will be shown in the space provided for this purpose. When a bill of lading covers property loaded on more than one car or vehicle, the data required by paragraphs 214035 through 214039 will be shown separately for each car or vehicle. When so identified, the initials and number of each car or vehicle will precede such data and will be shown in the "Description of Articles" space rather than the printed space provided for "Car Initials and No." or "Truck No." When carrier equipment is not identified by initials or number, the word "None" will be shown, followed by the information required for single car or vehicle shipments in (2) through (5) below. When continuation sheets (SF 1109) are used, the total number of cars or vehicles and the total weight must be shown on all copies of the bill of lading (SF 1103–1106 or SF 1131–1134).

(2) Length (in feet and inches) of railroad car (carrier- or Government-owned) ordered and furnished, or length (in feet and inches) of motor vehicle furnished will be shown on bill of lading in the space provided. This requirement is not applicable to shipments by railroad tank cars, motor vehicle tank trucks, tank trailers, and trailers furnished by railroads for piggyback movement. WHEN RAIL CARS ARE FURNISHED FOR CARRIER'S CONVENIENCE FOR SHIPMENTS TENDERED AS LCL OR WHEN TRAP CAR SERVICE IS UTILIZED FOR LCL SHIPMENTS, THE BLOCKS INDICATING SIZE OF CAR ORDERED AND FURNISHED WILL *NOT* BE COMPLETED.

(3) Type of car or vehicle used will be shown in the space marked "Kind." The type may be indicated by symbol if desired for convenience. In such instances, the following symbols will be used:

RAIL EQUIPMENT

Box, Automobile	XA
Box, Damage Prevention Type (DF, etc.)	XP
Box, End Door	XE
Box (Any Other Type)	XO
Flat, Bilevel	FB
Flat, Trilevel	FT
Flat, Heavy Duty (50 tons and over)	FH
Flat (Any Other Type)	FO
Gondola, Drop Ends	GD
Gondola (Any Other Type)	GO
Hopper	HO
Refrigerator	RF
Stock	ST
Tank	TK

HIGHWAY EQUIPMENT

Flat Bed (Any Type)	MF
Refrigerators	MR
Van, Closed (Trucks or Trailers)	MV
Van, Open Top (Trucks or Trailers)	MO
Tank	MT
Specialized Equipment (*Example:* Lo-Boy, Pole, Well, Stretch, etc.)	MS

(4) Capacity of railroad car ordered and furnished.

(5) Date car or vehicle furnished.

c. Planeload. On planeload shipments, the following information as applicable will be shown in the spaces provided—

(1) Airline initials, aircraft registration number, and manufacturer's symbol designation for the type of aircraft.

(2) Date plane was furnished.

d. Barge Shipments. On barge shipments, the following information will be shown as applicable in the spaces provided—

(1) Owner of barge plus identifying name or number of barge.

(2) Dimensions (in feet) of barge ordered and furnished, except when bulk shipments of petroleum products, chemicals or gases are made.

(3) Type of barge ordered and furnished will also be shown in the spaces provided for "Barge Length." The type may be indicated by symbol if desired for convenience. For the pur-

pose of this regulation, the following symbols will be used:

Open	OB
Covered	CV
Cylinder tank	CT
Liquid covered	LC
Flush deck oil	FD
Special auto	SA

(4) Capacity of barge ordered and furnished.

(5) Date barge furnished.

214022 Date Bill of Lading Issued. The date of issue will be the date the first entry is made on the bill of lading.

214023 From (Shipping Point). *a. General.* The name of the point at which the shipment is actually tendered to the initial carrier will be shown. When such point is outside the switching district, the name of carrier's station, name of military installation, or name of industry, as the case may be, will be shown.

b. California Intrastate Motor Shipments. When the shipping point is assigned one or more Metropolitan Zone Numbers in California Public Utilities Commission Distance Table No. 5, the applicable number also will be shown, e.g., MZ 246 (para 214027*d*).

214024 Full Name of Shipper. The name of the shipping establishment will be shown, except when a bill of lading is issued to a contractor or other authorized shipper to cover a shipment from another point. In such instances, only the name and designation of the actual shipper will be shown in this space.

214025 Marks. *a. General.* Under the heading "Marks" will be shown all markings which are common to the various packages making up the shipment. Any marks having reference to transportation, delivery at destination, or identification of packages en route or at destination must be shown.

b. Shipments for Other Than Billed Consignee or for Transshipment. When a shipment is intended for an activity other than the billed consignee or for transshipment, the word "FOR" will be shown preceding the designation or name (full name or code) of the ultimate receiver and destination. Information such as the consignee's number, shipment number, priority symbol or requisition number that applies, will be shown. If material shipped under one bill of lading is for more than one activity, the name of each activity and related information, together with a list of the portion of the shipment intended to each activity will be shown in "Description of Articles" space. However, as an alternate procedure, separate bill of lading continuation sheets may be used to indicate the information pertaining to the material for each ultimate activity.

c. Special Notations. Notations as to the character of a shipment will be shown. *For example*, when a shipment is consigned direct, or is reforwarded to a port for export, the notation "FOR EXPORT" will be shown. On import shipments, the notation "IMPORT" will be shown. When a shipment is accorded transit privileges, the notation "FOR STORAGE IN TRANSIT" or proper reference to processing in transit which may apply will be shown. All such special notations will be shown in capital letters. Note: When shipment is by commercial air the Property Received copy will be annotated with the airway bill number by the origin transportation officer or shipper prior to transmittal to the consignee.

d. Packed and Crated Household Goods. For shipments of packed and crated household goods, the word "FOR" will be shown, followed by the owner's rank, name, pay grade, service number, and branch of service. For shipments moving on Army or Air Force appropriations, the type of move, either PCS or TDY for military members, or WD (with dependents) or WOD (without dependents) for civilian personnel will be shown. In addition, when the shipments covered by Army or Air Force appropriations are from, or consigned to, points others than duty stations cited in the owners' travel orders, insert and complete the following statement in the "Description of Articles" space: "SHIPMENT AUTHORIZED FROM _____ TO _____."
(City, State/Country) (City, State/Country)

214026 Consignee. The designation or official title of consignee and the official name of installation or activity will be shown in accordance with particular shipping instructions. Other information such as name of Government department, name, military grade, and serial number or title of an individual, post office address, and whether plant or warehouse delivery is desired, will be shown. When consignee's post office address differs

from the billed destination, it will be added in parentheses. When shipment is consigned for transshipment or delivery to other than the billed consignee, the word "For" and appropriate additional information will be shown in the "Marks" space.

214027 Destination. *a. General.* Instructions contained in the Terminal Facilities Guides (AR 55-series) designate, according to the mode of transportation utilized, the city, town, or point and state to be shown on bills of lading as destination. For consignees not listed in the guides and when precise information is not contained in the requisition or other shipping directives, advice and assistance may be obtained from local representatives of carriers, the destination transportation officer, or the appropriate MTMTS area/field office. When there are two or more cities or towns of the same name in a state, the name of the county in which the destination is located also must be shown.

b. Portbound Shipments. When shipments are destined for export or transshipment, the destination for the water or aerial port to be used for transshipment will be determined as provided in *a* above.

c. Issue Priority Designator and Desired Delivery Date.

(1) *Issue Priority Designator.* When a shipment is subject to the Military Standard Requisitioning and Issue Procedures (MILSTRIP), an Issue Priority Designator number will be shown in the Destination space of the applicable bill of lading and will be prefixed with the letters "IPD." The IPD number shown in the Destination space will be the same as the IPD shown on the DOD Single Line Item Release/Receipt Document (DD Form 1348-1) authorizing the shipment. Only one IPD number will be entered in the Destination space. When more than one line item is involved, this normally will be the IPD number of the line item requiring the most expeditious service.

(2) *Desired Delivery Date.* When required, a Desired Delivery Date (DDD) will be shown in the Destination space of the bill of lading as provided below. The purpose of a DDD is to indicate to the carrier that delivery is desired on the date specified. Additionally, this date provides a means for evaluating carrier performance (see VI, chap. 202). However, the DDD alone neither constitutes a legal implication that delivery must be made on the date specified, nor infers that special services resulting in additional cost to the Government will be performed (para 214046). When transit time data needed to establish the DDD are not available locally, advice may be requested from the cognizant MTMTS area/field office in accordance with paragraph 104002. Only one DDD will be shown in the Destination space.

(*a*) *Domestic shipments.* For all MILSTRIP shipments a realistic DDD will be established that will allow shipment via the lowest cost method of transportation consistent with the urgency of need. For non-MILSTRIP shipments a DDD will be shown only when a need exists and it will benefit the Government. Construction of a realistic DDD will be based on each of the following factors:

1. Priority Delivery Date (PDD), constructed from a combination of the IPD and the date of requisition; Required Delivery Date (RDD) appearing on DD Form 1348-1 (or other supporting shipping document), if shown; or supply decision reflected in the supporting shipping document.

2. Issue Priority Group establishing level of urgency (para 16-2*c*, MILSTAMP Regulation).

3. Transit time required by mode of transportation to be utilized, and, based on mode selected, carrier's ability to perform within the established time frame.

(*b*) *Export shipments (MILSTRIP and non-MILSTRIP).*

1. Shipments requiring routing releases. When a specific date by which delivery should be accomplished at the air/water terminal (CONUS) is provided in the routing release, that date will be shown as the DDD in the Destination space. When two or more dates for delivery at the air/water terminal are specified in the routing release, the transportation officer will select the date by which delivery should be accomplished at the terminal and show that date as the DDD in the Destination space. When only a scheduled week of arrival is provided in the routing release, the DDD will be constructed in consonance therewith, giving consideration to the date of shipment and the transit time required by the mode of transportation to be utilized.

c. Shipments routed by transportation officers. When the document authorizing the shipment indicates an RDD at the oversea destination, a DDD at the air/water terminal (CONUS) will be constructed in consonance therewith. Due consideration will be given to the date of shipment and the transit time required to transport the shipment to the terminal by the mode of transportation to be utilized. When advice has been furnished by the air/water terminal commander (CONUS) that a shipment is required at the air/water terminal by a specific date, that date will be shown as the DDD in the Destination space. When an RDD at oversea destination or the date due at the air/water terminal has not been furnished the transportation officer, a DDD will be shown only when it will benefit the Government.

(3) *IPD and DDD illustrated.* When an IPD number and a DDD both are required, they will be shown in the Destination space of the bill of lading in the following manner: "IPD 7 DDD 8 March 1962." When only a DDD is required, it will be shown in the Destination space in the following manner: "DDD 8 March 1962."

d. California Intrastate Motor Shipments. When the destination point is assigned one or more Metropolitan Zone Numbers in California Public Utilities Commission Distance Table No. 5, the applicable number also will be shown, e.g., MZ 201 (para 214023*b*).

214028 Routing (Via). *a. Shipments Covered by Route Orders or Export Releases.* The routing instructions provided in the route order or export release will be shown in the "Via" space of the bill of lading. For rail carriers, the abbreviations provided in the Uniform Alphabetic Code for Railroad Identification as published in the Official Railway Equipment Register will be used by routing authorities except that in those few instances when an abbreviation for a particular rail carrier is not shown, the full name of the carrier will be used. For other modes, the full corporate name of each carrier participating in the route will be shown.

b. Shipments Not Covered by Route Orders or Export Releases. For shipments not covered by route orders or export leases, the "Via" space of the bill of lading may be left blank, except when it is to the advantage of the Government to name the connecting carrier(s) in the bill of lading. In such cases the origin carrier and the connecting carrier(s) should be entered in the "Via" space.

c. Switch Line Delivery. Terminal railroads will be shown only when necessary to effect delivery. When a line-haul carrier performs only a switch-delivery, such carrier will be shown in parentheses: (SRR Switch-Delivery).

d. Junction Points. The names of the junction points will not be shown between the names or initials of carriers, except as provided in *e* and *f* below, or as directed by route orders.

e. Government-Owned or Government-Leased Interchanged Railway Cars. To insure that the mileages of loaded and empty car movements are equalized, the names of the junction points will be shown between the initials of the carriers in the routes for the movement of all Government-owned and Government-leased interchange railway cars. See chapters 202 and 208 for complete instructions for the routing of this equipment.

f. Transit Shipments. When a shipment is made from a transit point by a carrier other than the inbound road-haul carrier, the name of the inbound carrier will be shown on the bill of lading as the originating carrier from the transit point and the bill of lading will be tendered to that carrier for signing the receipt for the shipment.

(1) Inbound shipment from the West to Chicago, Illinois, for storage in transit, delivered by the CB&Q Railroad as the inbound line-haul carrier.

(2) Outbound shipments to New York, New York, by NYC Railroad as the outbound line-haul carrier.

(3) Outbound route CB&Q (Chicago) NYC.

(4) The CB&Q Railroad will be shown as the initial transportation company on the outbound bill of lading.

The officer issuing the Government bill of lading will make certain that the route from the transit point includes this provision even though it may have been omitted from the route order.

g. Merchandise Car (Package Car) Service. When merchandise car service is desired the "Via" space will include the notation "Merchandise car, if available."

h. Shipment of Empty Containers. A substantially reduced charge is provided under "com-

modity rates" and "exceptions to classification ratings" published in some territories by both rail and highway carriers, when routing of empty containers is, or will be by the same carriers in reverse directions of filled containers and when appropriate certification to that effect is placed in the bill of lading covering movement of the empty containers. Transportation officers will take advantage of this arrangement wherever it is available. Local representatives of carriers should be queried as to availability of this provision and in regard to the exact wording of certification prescribed by their tariffs.

i. Express Shipments. Where special services are to be rendered by REA Express as provided in chapter 205, the kind of service required will be shown as prescribed in Administrative Directions No. 2 on the back of the bill of lading.

j. Prohibiting Substitute Service. Some tariffs provide for the use of "Substitute Service" whereby shipments may be diverted at carrier's option to another mode of transport without notice to the shipper. When transportation officers desire to prevent such action by carriers, the "Via" space of the bill of lading will be annotated "Substitute Service not to be used."

214029 Pickup Service. *a. Completion of Statement.* Except as provided below, when carrier furnishes pickup the space marked "Carrier Furnished ☐ Pickup" will be checked for all modes of transportation and initialed by any authorized person having knowledge of the facts. *Exception:* For rail or piggyback shipments this block will be checked only when the carrier furnishes a highway vehicle for movement of the shipment from the shipping activity to carrier's terminal.

b. Required Indorsement. When required pickup service (including multiple pickup) for which a tariff charge applies is performed by the carrier at the request of the shipper, the following additional indorsement will be placed on the bill of lading: "Pickup service was requested of and performed by _____.
(Carrier's initials)
_____ stop(s) made in accomplishing
(Number)
pickup.

_____"
(Name of person ordering service)

This indorsement will be shown on the bill of lading as prescribed in Administrative Directions No. 2 on the back of the bill of lading and must be signed by or for the person ordering the pickup service.

214030 Trap Car Service. When shipments are loaded at origin by the shipper into trap cars, the space marked "Carrier Furnished ☐ Trap Car Service At Origin" will be checked and initialed by any authorized person having accurate knowledge of the facts. This requirement does not apply to cars furnished by carriers in lieu of vehicles for pickup service. WHEN TRAP CAR SERVICE IS PERFORMED, THE BLOCKS ON THE GOVERNMENT BILL OF LADING INDICATING SIZE OF CAR ORDERED AND FURNISHED WILL NOT BE COMPLETED.

214031 Switching at Origin. When switching service is required and performed at point of origin on carload railway express, or by carrier(s) other than the initial carrier in connection with a line-haul movement of freight, the following notation will be made in the "Description of Articles" column: "Switched at origin by_____
_____."
(Name of switching carrier)

A record of the switching service performed will be maintained. The "Remarks" column of the Car Record (para 219004) may be used for this purpose.

214032 Loading of Rail Cars at Commercial Piers. When carload shipments are loaded by rail carriers at commercial piers, the name of the carrier performing this service will be shown in the "Description of Articles" space by use of the following annotation: "Loading service performed by_____
_____."
(Name of carrier)

This annotation will be initialed by the port transshipper or his authorized representative.

214033 Charges To Be Billed To. The official designation and address of the office responsible for payment of charges, referred to as the disbursing office, will be shown. When transportation charges are to be paid direct to a carrier by the Government agency other than the shipper agency, the name of the department and the office responsible for payment of charges will be shown. When more than one office is responsible for payment of charges, the office responsible for the preponderance of weight listed on the bill of lading

ıl be shown as the disbursing office. Where the name of the disbursing office has been preprinted the information will be effaced and the bill of lading revised to reflect the correct disbursing office as follows:

Name	*Disbursing office and address*
Office of the Secretary of Defense	Finance Center United States Army Indianapolis, Ind. 46249
Department of the Army	Finance Center United States Army Indianapolis, Ind. 46249
Department of the Air Force	Finance Center United States Army Indianapolis, Ind. 46249
Department of the Navy	Navy Finance Center Washington, D.C. 20390
United States Marine Corps	Commandant of the Marine Corps Code COS Washington, D.C. 20380
United States Coast Guard	Coast Guard Office indicated on requisition or purchase document.
Defense Supply Agency	Finance Center United States Army Indianapolis, Ind. 46249

214034 Appropriation Chargeable. The appropriation chargeable, name of the Government agency, and full allotment symbol will be shown when a specific allotment is chargeable. When more than one appropriation allotment is chargeable, or when the shipper agency is to be reimbursed, by another Government agency for a portion of transportation charges, separate weights or percentages chargeable to each appropriation will be shown in the Description of Articles space. Each weight will specifically reference the item or groups of items to which it applies. The Appropriation Chargeable space will also be annotated "See Description of Articles space." On Army orders directing a permanent change of station for military personnel, chargeable to fiscal station S99999 and the appropriation "Military Personnel, Army" the four character Movement Designator Code (MDC) shown in the orders will be entered in this space. EXAMPLE: 2A09 as appears in appendix VI, AR 310-10.

214035 Number and Kind of Packages. The number of packages or containers, kind of package (barrels, boxes, or crates) will be shown in the spaces provided. When articles are shipped on strapped pallets, the number of containers or loose items on each pallet will be shown: e.g., 6 pallets of 24 boxes each. The number of articles or inner containers in any box, barrel, crate, or other receptacle, will not be shown. Except for shipments of bulk freight, such as coal, gravel, or scrap, the number of pieces or units will be shown in the package column when articles are shipped loose.

214036 Description of Articles. *a. General.* The proper freight description of each article shipped will be determined as prescribed in paragraph 211005 and shown on the Original and all copies of the bill of lading under "Description of Articles." Where applicable tariffs or special tenders provide rates based on the use of term "Freight, All Kinds," the appropriate routing authority (sec II, chap 202) must determine whether or not the use of the FAK rate is advantageous to the Government. When it is determined that the rate is advantageous, the term "Freight, All Kinds" will be shown on the bill of lading under Description of Articles. Reference to the appropriate tariff or tender authority also will be shown (para 214018*b*). Except as otherwise provided in paragraphs 214062 and 214064 for MILSTRIP shipments, supporting documents which show the actual consist of shipments will be adequately identified on the bill of lading in lieu of listing and describing each article shipped. Supporting documents will be retained by the issuing office as provided in paragraph 214015*b*. Each shipper offering for transportation any dangerous article subject to Department of Transportation regulations (Title 49, Code of Federal Regulation (CFR)) will describe that article on the Government bill of lading by the shipping name prescribed in paragraph 172.5 and by the hazard classification prescribed in paragraphs 172.4 and 172.5 of regulations in T. C. George's Tariff No. 19, amendments thereto or reissues thereof. If the description of the dangerous articles provided in T. C. George's Tariff differs from the freight description in the governing classification, exception or commodity tariff the T. C. George's Tariff description must be shown first on the GBL with the other description shown immediately thereafter in parentheses. Abbreviations will not be used. Air shipments will be de-

scribed in accordance with Federal Aviation Regulations (Title 14 CFR, Part 103).

b. Additional Information. When required by this regulation, directives, carriers' tariffs, or Federal or State regulations, the following additional *information will be shown in the* Description of Articles space:

(1) Shipper's certificate for a shipment of hazardous material as prescribed by section 173.430 of the Department of Transportation regulations will be entered as follows: "This is to certify that the above named article(s) is properly classified, described, packaged, marked, and labeled, and is in proper condition for transportation, according to the applicable regulations of the Department of Transportation."

(2) Specific instruction regarding lighterage, refrigeration, icing, heaters, or similar requirement when protective service is necessary.

(3) Authority for declaring excess valuation (para 214049*c*).

(4) Export permit number issued by the Commissioner of Narcotics, Bureau of Narcotics, U.S. Treasury Department, Washington, D.C., in accordance with *U.S. Treasury Department* Regulations No. 2, for a shipment of narcotics to countries under the Military Assistance Grant-Aid Program.

(5) Other necessary information for which no other space is provided, including special information furnished on route orders (para 202006*c*).

(6) For hazardous shipments on passenger-carrying aircraft, the following certificate will be shown: "This shipment is within the limitations prescribed for passenger-carrying aircraft." (para 216037 and 216041).

(7) Cube, density, dimensions, or type of material when tariff or tender rates are dependent on such information.

c. MILSTAMP Data. For shipments subject to paragraph 1-3, MILSTAMP Regulation, the Transportation Control Number (TCN), consignee code and the transportation priority for each *shipment unit* (see para 3-5 and app B8 and B9, MILSTAMP Regulation) will be shown on the Original and all copies of the bill of lading under "Description of Articles" preceding the freight description of the shipment unit to which it applies. The first shipment unit TCN appearing on the bill of lading also will be the *transportation unit* control number for the shipment (see para 3-5 and app B8 and B9, MILSTAMP Regulation). Transportation Control Numbers will be generated for non MILSTRIP shipments in accordance with appendixes B8 and B9, MILSTAMP Regulation, and will be shown on bills of lading as provided above.

d. Continuation Sheets. Continuation sheets will be used whenever the designated space on the basic bill of lading set is insufficient to list the articles constituting the entire shipment and other required information. Sufficient space will be reserved on the basic bill of lading set to show the total number of continuation sheets used, the total weight shown thereon, the total weight of the entire shipment and, as required by the provisions of paragraph 214038, the total weight of the dunnage or pallets.

214037 Numbers on Packages. When packages are serially numbered, such number will be shown in the space marked "Numbers on Packages" on the bill of lading.

214038 Weights. *a. Terms Used To Designate Weights.*

(1) *Regular rail or rail express shipment.* Weights shown on bill of lading will be specified as "Agreed" or "Tariff" weights, to conform to the provision of weight agreements. See chapter 212 for instructions governing weight agreements.

(2) *Special rate quotation.* When a schedule of agreed weights has been established under freight rate quotations or tenders covering specific commodities, "Agreed Weights" will be specified on the bill of lading.

(3) *Shipments by motor or other modes.* Actual or tariff weights will be shown on bills of lading covering shipments made by all modes of transportation other than rail freight and railway express. When actual weights are used the word "actual" need not be entered on the bill of lading. When tariff weights are used, the term "TARIFF WEIGHT" *will be entered on the bill of lading.*

(4) *Estimated weight.* When a reliable weight cannot be determined before shipment, an "Estimated" weight will be shown. In this case, the bill of lading will show "Estimated weight: weigh and correct."

b. Listing Weights on Bill of Lading. Opposite the description of articles and number of packages, there will be shown separately the aggregate weight in pounds of the total number of each different kind of loose piece, package, or container of the different kinds of articles. The word "pounds," or any abbreviation or symbol for pounds, should not be shown. Reference to minimum weights will be made only when authorized in routing instructions. When more than one weight is indicated in the "WEIGHTS" column, the sum of all weights will also be shown on the Original and all copies of the bill of lading and identified by the word "TOTAL."

c. Weight of Pallets, Platforms, or Skids. Many tariffs make certain allowances for the transportation of pallets, platforms, and skids used in connection with the movement of a shipment. However, to be accorded these allowances it is necessary that the weight of these items be shown on the bill of lading separately from the weight of the freight being shipped, and also separately from the weight of any dunnage or other similar material (*d* below) used in connection with the shipment. An example of the weights required to be shown on the bill of lading for a shipment comprised of freight on pallets is as follows:

(1) *General.*

	Pounds
Freight	52,300
Pallets	2,600
Total	54,900

(2) *When track scale is used.*

	Pounds
Gross	102,500
Tare	47,600
Net	54,900
Pallets	2,600
Freight	52,300

d. Dunnage, Bulkheads, Partitions, Door Protection.

(1) *Rail shipments.* Rule 30 of the governing freight classification provides that bulkheads, partitions, door protection, dunnage, and similar material must be furnished and installed at shipper's expense. This rule also provides that packing material such as sawdust, straw, and pads are not to be included in the term "dunnage." Certain allowances are made for the weight of dunnage (temporary blocking, flooring or lining, racks, standards, strips, stakes or similar bracing) and are deductible from the weight of the contents of the car before computing freight charges. Some tariffs, however, contain exceptions to this provision. To remove doubt as to the weight of the freight being shipped and the weight of shipping materials used in connection with the shipment, each will be separately shown on the bill of lading as follows:

(*a*) *General.*

	Pounds
Freight	52,300
Dunnage	550
Bulkheads	600
Sawdust	50
Total	53,500

(*b*) *When track scale is used.*

	Pounds
Gross	110,100
Tare	47,600
Net	53,500
Dunnage	550
Bulkheads	600
Sawdust	50
Freight	52,300

(*c*) *When dunnage or similar material is not used.* If cars are loaded, without the use of packing materials, bulkheads, or other dunnage, a notation will be made on the bill of lading "No dunnage or other material used."

(2) *Shipments by motor.* The provisions of (1) above also will apply to truckload shipments. Rule 10 of the governing motor freight classification provides that, "unless otherwise provided, charges shall be computed on gross weight, excluding the weight of temporary flooring, blocking, racks, standards, stakes, or similar bracing, dunnage, or supports." Tariffs governing such shipments should be consulted for exceptions to this rule.

211039 Cubic Measurement. *a. Shipments Consigned to Water Ports.* When shipments are to be loaded on vessels or consigned to ports for later movement by water, the total measurement of the shipment in cubic feet will be shown on the bill of lading. When a shipment is made up of a number of items, the cubic measurement for each item, or group of items, and the total, number of cubic feet will be shown.

b. Shipment by Motor Carrier. In addition to the provisions of *a* above, when shipments are

forwarded by commercial carrier and transportation charges are based on cubic measurement or density per cubic foot, the total measurement in cubic feet of the material loaded in or on the vehicle will be shown on the bill of lading. When a shipment is made up of a number of items, the cubic measurement for each item, or group of items, and the total number of cubic feet will be shown.

c. Shipments by Air. When shipments are forwarded by air freight, air freight forwarder, or air express, the aggregate cubic measurement will be shown and in addition the weight and cubic measurement of each piece or package will be listed separately in the "Description of Articles" space on the bill of lading. For the purpose of determining cubic measurements, the greatest dimension of length, width, and height will be used.

d. Shipment by Rail. In addition to the provisions of *a* above, when a car of greater length than ordered is loaded to capacity with a commodity subject to Rule 34 of the CFC or UFC, and the actual weight does not meet or exceed the minimum weight provided for the car furnished, the block indicated "Yes" at the foot of the "Description of Articles" space will be checked and the cubic dimensions of the shipment will be shown on the bill of lading.

214010 Name of Transportation Company. The full name of the initial carrier will be shown in the same manner as in the block marked "Transportation Company Tendered To" (para 214019).

214011 Date of Receipt of Shipment. Date shown will be that upon which the carrier accepted the shipment. This date serves as the basis for determining when the carrier's responsibility for the shipment begins.

214012 Signature of Agent—Per. Consignor will assure that carrier's agent manually signs the bill of lading in the space provided upon acceptance of the shipment. When the carrier's agent has an authorized representative accept shipment, the representative will sign the agent's name and enter his own initials in the block marked "Per."

214013 Certificate of Issuing Officer. *a. Authority for Shipment.* Authority for making the shipment (to be distinguished from routing or authority for method of shipment) will be shown in the "Certificate of Issuing Officer." This part will also include reference to the contract which applies, the purchase order, or other shipping document. When one bill of lading covers several lots of material, each under different shipping authority, reference to each shipping authority will be shown in connection with the description of the respective item or group of items in the "Description of Articles" column. When a shipment is supported by numerous shipping documents and only one appropriation is shown, a summary of the several documents or authorities may be shown on the bill of lading at the option of the issuing officer.

b. Contract or Purchase Order Reference. When a shipment is covered by a contract, purchase order, or other procuring document, the number of this document and the f.o.b. point of the shipment will be entered in the spaces provided. When the terms provide that transportation is at Government expense from a specified f.o.b. point, such point will be entered as the f.o.b. point.

c. Issuing Office. The official name of the installation or activity at which the bill of lading is issued will be shown. The address also will be entered unless it is shown in the "From (Shipping Point)" space. When continuation sheets are used, the name and location of the issuing office will be shown in the spaces provided for "Department or Establishment and Bureau or Service" and "Locations."

d. Signature and Title of Issuing Officer. The Certificate of Issuing Officer will be signed, followed by the date signed and the name and title of the official issuing the bill of lading (214015*a*). Since the name and title of the issuing transportation officer will appear in the Certificate of Issuing Officer, the signature of an authorized person signing for the transportation officer need be followed only by his title and the word "for." The Certificate of Issuing Officer is required to be signed only once on each set of original and carbon-interleaved forms. A legible carbon impression of the signature on the shipping order is acceptable. Rubber-stamped signatures are *not* authorized.

214014 Seal Record. The ownership and numbers of the seals applied by shippers to carriers equipment will be entered in the space marked "Seal Nos." The "Applied By" space will be

marked "Shipper." When more than one transportation unit is covered by the bill of lading, the identity of seals applied to each unit will be appropriately indicated. If seals are applied to carrier equipment for the primary purpose of denying access to the shipment for security or other special reasons, the bill of lading will be annotated as provided in paragraphs 213011*d* and 214046. See chapter 213 for full instructions governing the application of seals.

214045 Shipper's Load and Count. When shipments are loaded by the shipper and no check or tally has been made by the initial carrier as to the contents of the transportation unit or units, the carrier may require that the bill of lading be annotated "Shipper's Load and Count" or "SL&C." The shipper must honor the request or demand of the carrier (ICC regulations) when the above cited conditions exist.

214046 Special Military Service, Exclusive Use of Carrier Equipment, or Other Special Services. *a. Special Military Service.* When the responsible routing authority has furnished a complete routing based on a carrier's tender or on a tariff provision for "Special Military Service" as distinguished from "exclusive use of carrier equipment" under tariff provisions, all copies of the Government bill of lading will carry the following annotation in accordance with the terms of the applicable tender or tariff:

SPECIAL MILITARY SERVICE was requested

Time of receipt by carrier _____ date _____

_____
(Signature of shipping officer)

Time of delivery _____ date _____

_____
(Signature of receiving officer)

The origin transportation officer and destination transportation officer will enter the time and date information and affix their respective signatures.

b. Exclusive Use of Carrier Equipment. When the responsible routing authority has indicated in the route order that the routing is based on the requirement for exclusive use of motor vehicle or railway express equipment, all copies of the Government bill of lading will be annotated "EXCLUSIVE USE OF VEHICLE REQUESTED BY THE GOVERNMENT," or similar provision when instructed by the routing authority (para 202006*c*(6)). The annotation on the bill of lading will be signed by the issuing transportation officer or his designee in accordance with Administrative Direction No. 2 on the reverse of the bill of lading. In addition, the following blank indorsement will be shown by the issuing transportation officer on the bill of lading for execution by the carrier's agent at destination:

I certify that exclusive vehicle service was furnished from _____ to _____
(Origin) (Destination)

_____
(Signature of carrier's agent) (Date)

This indorsement is evidence that the service was performed and serves as authority for payment of higher transportation charges when applicable.

c. Other Special Services. When other special services such as extra driver, flagmen, advance route surveying mobile radio, or pilot car are required, origin transportation officer will annotate the Government bill of lading as to services requested, and provide blank indorsement that such services were performed for carrier's execution at destination in the same manner as provided in *b* above.

214047 Car or Truck Loaded to Capacity. When a shipment loads the car or truck to its full visible capacity or to its weight carrying capacity, the block indicated "Yes" at the foot of the "Description of Articles" space will be checked. When this situation arises and multiple cars or trucks are used, the statement "Loaded to Capacity" and the dimensions or cubic measurement of the loaded space of each car or vehicle will be shown.

214048 Tariff or Special Rate Authorities. *a. Tariffs.* When, in connection with MTMTS routed traffic, the MTMTS routing office has advised the shipper as to the applicable tariff, such information will be annotated on the original and all copies of the bill of lading in the space marked "Tariff or Special Rate Authorities (C, L, T, L or Vol. only)."

b. Special Rate Authorities. When any shipment, regardless of quantity, is subject to a special rate tender or other special arrangement for free, special, or contract rates, an identifying reference to the tender or contract will be shown on the original and all copies of the bill of lading. When more than one identifying reference is included on the tender or contract, the first listed identifying refer-

ence will be shown. Such information will be annotated in the space marked, "Tariff or Special Rate Authorities (C/L T/L or Vol. only)."

c. Rates. Freight rates will not be shown by shippers on original bills of lading or copies furnished to carriers. When rates are furnished with routing instructions, they will be used only for estimating transportation charges as provided in paragraph 21406*2d*(2)(*b*) and other departmental regulations.

214049 Valuation of Shipments. *a. General.* Many carrier rates depend on the valuation of the shipment. These rates fall into two categories: those based on the released, declared, or agreed value of the shipment and those based on the actual value. In the former case, the Government, being a self-insurer, normally ships material subject to released rates at the highest valuation which produces the lowest rate. This is specified by Condition 5 on the back of the GBL. When applicable tariffs require that the actual value of the shipment be declared on the bill of lading before the shipment can be accepted, however, no option is involved—the shipper must state the actual value of the shipment or be guilty of misbilling.

b. Released, Declared, or Agreed Valuation. Regardless of Condition 5 on the back of the bill of lading, when rates are based on released, declared, or agreed valuation, the bill of lading will be annotated to show that the shipment is released at the specific maximum value which applies to the lowest rate or rating provided in applicable tariffs, special tenders, or quotations. The annotation on the bill of lading will be in accordance with the provisions of the governing tariffs, special tenders, or quotations and will show the value and unit of weight specified in such publications, for example: "Released value not exceeding $2.50 per pound."

(value) (unit of weight)

(See also *c* below).

c. Household Goods and Personal Effects. Household goods, authorized baggage, professional books and papers, and personal effects will be shipped at the maximum released value applicable to the lowest rate or rating published by carriers. A notation to that effect will be shown on bills of lading covering such shipments, except that upon the written request of the owner of the personal property and upon his written agreement to bear the excess cost, a specified higher valuation to such extent as permitted by carriers may be shown by notation on the bill of lading, and on the outside containers or packages comprising the shipments if required by carriers. Such notation in either case will be in the form required by the carriers.

d. Excess Valuation. As indicated in *a* above, the Government normally ships material subject to released rates at the highest valuation which produces the lowest rate. However, when it appears desirable to declare a valuation in excess of that which produces the lowest rate because of the peculiar nature or unusual value of a shipment (17 Comp. Gen. 741, A-91927), specific authority must be obtained from the chief transportation officer of the shipper service (unless otherwise delegated by the shipper service) and reference thereto will be shown on the bill of lading (para 21403*6b*(3)). Excepted from the foregoing provisions are the following:

(1) Shipments of household goods when excess valuation is requested by the owner. See paragraph 8009-2, Joint Travel Regulation.

(2) Narcotic drugs when shipped by REA Express. In such instances a declared valuation of 50 cents per pound but not less than $151 will be shown for each shipment for the purpose of obtaining special "Money Department" hand-to-hand service.

e. Shipments From Nonmilitary Installations. When a transportation officer issues bills of lading for use by a contractor or other shipper to cover shipments moving from points at which no transportation officer is available, the issuing officer will provide the shipper with full instructions regarding the valuation to be shown on the bills of lading.

f. Valuation Restrictions on Bills of Lading. Except as required by this paragraph, the value of property shipped for the Government, or on which the Government pays the transportation charges, will not be shown on bills of lading (para 10600*2i*).

214050 Shipments of Animals. See chapter 215 for instructions governing the shipment of ordinary livestock and other than ordinary livestock, and the information to be shown on the bill of lading.

214051 Attendants With Shipments. When the nature of property shipped, or circumstances attending the shipment, requires that one or more

attendants accompany rail freight or express shipments, the following notations or references will be made on the bill of lading:

a. Transportation From Point of Origin to Destination.

Transportation required for the following attendants
_____ _____
_____ _____
(Indicate names, grades, and addresses, if practicable)
in charge of shipment, from _____
to _____. When attendants are not transported free under carrier's tariffs, the fare is to be paid when freight charges are paid on this bill of lading.

To avoid excess charges when more than one bill of lading is used for an attended shipment, it is important that the bills of lading show the correct number of attendants accompanying the shipment.

b. Return Transportation for Attendants. When carriers' tariffs provide for free transportation for attendants on the return journey, a statement to that effect will be placed on the bill of lading. When the return trip of the attendant is at Government expense, a transportation request will be issued. In such cases, the serial number of the transportation request and any other pertinent information will be entered on the face of the bill of lading.

c. Appropriation Chargeable. When the appropriation chargeable for the travel of attendants is different from that chargeable for the freight movement, the proper appropriation will be entered directly below the notations required in *a* and *b* above.

214052 Reconsignment or Diversion. See chapter 220 for instruction concerning bills of lading covering shipments reconsigned or diverted.

214053 Export License and Shipper's Export Declaration. *a. When Not Required.* Neither export licenses nor shipper's export declarations are required for shipments of the following when destined to points in foreign countries or to noncontiguous territories of the United States.

(1) All commodities consigned to the United States armed services for their exclusive use, including shipments to armed services exchange systems.

(2) Office furniture, office equipment and office supplies consigned to and for the exclusive use of the United States Government Offices.

(3) Household goods and personal property consigned to and for the exclusive and personal use of United States Government military personnel and employees.

(4) Food, medicines and related items, and other commissary supplies consigned to United States Government offices or employees for the exclusive use of such employees.

(5) Books, maps, charts, pamphlets and similar articles shipped by United States Government offices, consigned to United States Government establishments.

b. Required Notation. Ordinarily, shipments of household goods and personal property (*a* (3) above) are readily identifiable as U.S. Government sponsored. For this reason the annotation requirement provided below will not apply for such shipments. For all other shipments described in *a* above, the following statement will be placed on through Government bills of lading when these shipments are consigned to points in foreign countries or noncontiguous territories of the United States, and on Government bills of lading or similar transportation documents when shipped from CONUS ports of embarkation to oversea areas:

DEPARTMENT OF DEFENSE SHIPMENT
NO EXPORT DECLARATION OR LICENSE
REQUIRED

Failure to use the notation, when applicable, may subject shipments to delay by customs officials at the point of exit. Under no circumstances should the notation be used for export shipments not covered by *a* above. Shipments not covered by *a* above are subject to Department of Commerce, or Department of State export control regulations and must move under either a validated export license or a general license, and are subject to the requirement for export declarations.

c. Military Assistance Program Grant-Aid Shipments. Except as provided below, neither export licenses nor shippers' export declarations are required for such shipments. Government bills of lading or other transportation documents issued to cover the movement of grant-aid shipments to points in foreign countries will be annotated with the notation:

MAP-GRANT-AID SHIPMENT
NO EXPORT DECLARATION OR
LICENSE REQUIRED

The signature of the issuing officer on the bill of lading will serve as a certification of this statement.

Exception: Shipments of narcotics are subject to U.S. Treasury Department, Bureau of Narcotics, export control regulations and must move under an export permit. When such shipments are made, the export permit number will be inserted on the original and all copies of the bill of lading in the "Description of Articles" space (para 214036 *b*(4)).

214054 Canadian Customs Requirements. Agreements between the United States and Canadian Governments require that bills of lading covering shipments from the United States consisting of United States military supplies, or items procured by the United States for use by the U.S. Armed Forces in Canada or for use by Canadian contractors performing work under U.S. Armed Forces Contracts, will be annotated with the actual dollar value of the items for Canadian Customs purposes as follows:

FREE ENTRY UNDER TARIFF ITEM 708.

VALUE FOR CANADIAN CUSTOMS PURPOSES $_____. NO EXPORT DOCUMENTATION IS REQUIRED OTHER THAN ONE ADDITIONAL COPY OF THE GBL FOR CANADIAN CUSTOMS PURPOSES.

The one additional copy required by the Canadian Customs will be plainly marked: "COPY FOR CANADIAN CUSTOMS PURPOSES." This extra copy will be furnished to the carrier for delivery to the Canadian Collector of Customs. Above shipments normally move on GBL's or CBL's for conversion to GBL's, and are consigned to a military installation in care of the intended receiving person or organization.

214055 Intercoastal Shipments. *a. Cross-Reference.* Bills of lading issued at rebilling (transfer) points covering intercoastal shipments will be annotated to give cross-reference to the prefix symbol, serial number, and route appearing on the inbound bill of lading.

b. Damage or Shortage Notations. When a bill of lading is accomplished at a rebilling (transfer) point with damage or shortage notations or other exceptions shown on its face or reverse side, such notations and reference to any recoopering will be noted on the face of the outbound bill of lading together with cross-reference required in *a* above. When rebilling a shipment in which actual shortage existed in the inbound movement, only the actual number of pieces tendered to the outbound carrier will be shown on the outbound bill of lading.

214056 Additional Notations Required by Military Departments. Additional information, as required by the shipper departments in connection with specific shipments, will be shown on bills of lading.

214057 Government Transit Bill of Lading. *a. Use and Preparation.* The Government Transit Bill of Lading (SF 1131-1134) will be used for shipments accorded transit privileges. This bill of lading will be prepared to conform with the requirements of this section and will include all inbound transit references for which space is provided, except D.O. Voucher, date paid and Disbursing Officer's initials blocks, which are for use of disbursing office only. See chapter 210 for complete instructions governing transit shipments.

b. When Transit Bill of Lading Is Not Available. When a Government Transit Bill of Lading (SF 1131-1134) is not available and a Government Bill of Lading (SF 1103-1106) is used, the following references to the inbound shipment(s) and all previous billings must be shown in the "Description of Articles" column:

(1) Inbound bill of lading number and date.

(2) Bureau transit number, if any. When previous transit has been accorded on the material being shipped, reference to previous Bureau numbers also will be furnished.

(3) Freight bill (Pro.) date and number.

(4) Waybill date and number.

(5) Origin station.

(6) Commodity.

(7) Route, inbound.

(8) Rate, inbound.

(9) Car initials and number.

(10) Weight applied.

(11) Reference to transit authority applied.

(12) Car—truck length in feet and inches—ordered and furnished.

c. Transit in Commercial Facility. When transit is provided at a commercial facility for the account of the Government, the issuing officer will direct the commercial operator, or other person having access to the information, to enter on the bill of lading any required items not available in the issuing office.

214058 Shipments by Air-Surface Carriers. *a. Through Bill of Lading.* In some instances surface and air carriers have published point through rates or have made special arrangements to accept one bill of lading. When these conditions exist, one bill of lading will be issued to the initial carrier for the through movement.

b. Multiple Bills of Lading. When through billing arrangements are not in effect and shipment must move via surface-air or air-surface means of transportation or other combinations thereof, a separate bill of lading will be prepared by the origin office for each part of the movement covered by separate rates. Each bill of lading, other than the one covering the final segment of movement, will show as consignee the name of the carrier which will receive the shipment at the rebilling point. The ultimate consignee will be shown in the "Marks" space and will be prefixed by the words "For reshipment to." Also, bills of lading involved in such a movement will be appropriately cross-referenced to the first Government bill of lading symbol and numbers in the "Marks" space. For tender of shipment and instructions to carriers as well as distributions of bills of lading, see paragraphs 214061 and 214062.

214059 Interruption to Onward Movement of Shipments. The onward movement of shipments by carriers may be interrupted by circumstances beyond the control of carriers, such as acts of God or labor difficulties. When the issuing officer deems it essential that he be notified by the carrier in event of certain shipments are delayed, the bill of lading may be annotated to require such notification. This procedure should be used only under unusual and justified circumstances.

Section V. INSTRUCTIONS TO CONTRACTORS AND OTHER AUTHORIZED COMMERCIAL SHIPPERS

214060 Use, Preparation, and Distribution of Bills of Lading By Contractors. *a. Kind of Bill of Lading.* Purchase orders to contractors should specify whether shipment is to be made at Government expense, or at contractor's expense on a prepaid commercial bill of lading.

b. Shipment at Government Expense. Except under the conditions provided in paragraphs 214073 and 214077 relating to the authorized use and required annotation of collect commercial transportation documents, all shipments at Government expense will be forwarded on Government bills of lading. Under no circumstances should shipments be forwarded by contractors on prepaid commercial bills of lading if transportation charges are to be paid by the Government direct to carriers concerned.

c. Requests for Government Bills of Lading. In order to avoid misuse of Government bill of lading furnished contractors and other authorized commercial shippers, transportation officers will carefully review reports for such documents to insure that the bills of lading may properly be issued and that sufficient information has been furnished. Such information will include, but not necessarily be limited to—

(1) Name and address of the person or firm to whom the partially prepared Government bills of lading are to be forwarded.

(2) Contract references.

(3) Appropriations chargeable.

(4) Description of commodities.

(5) Total weight to be shipped.

(6) Contemplated weight per shipment.

(7) Information pertinent to the routing of freight (such as unusual characteristics, size, weight, etc.).

(8) Period of movement.

(9) Special distribution, if any, of memorandum copies in excess of normal distribution.

d. Distribution of Bills of Lading. Issuing officers will furnish instructions regarding the distribution of bills of lading to contractors or other persons tendering shipments of Government material to carriers. Such distribution instructions will include the requirement that a memorandum

copy receipted by the carrier will be furnished to the issuing officer.

e. Points Where No Transportation Officer Is Located. When shipments are to be forwarded by contractors on Government bills of lading from points where no transportation officer is located, bills of lading which have been partially filled in by the issuing officer should be furnished such contractors together with exact instructions for further preparation and distribution. Contractors will be requested to return any unused bills of lading. The following routing instructions will be given:

Routing instructions shown in the inclosed bill(s) of lading are based on—

1. Carload/less carload quantity (delete one).
2. Truckload/less truckload quantity (delete one).

If the weight shipped will change the shipments from carload or truckload to less-than-carload or less-than-truckload, or vice versa, or where doubt exists in this respect, this office should be contacted for amended routing instructions, or determination of method shipments.

f. Transmittal of Partially Prepared Bills of Lading to Contractors. When partially prepared bills of lading covering carload or truckload shipments and less-than-carload or less-than-truckload shipments are forwarded at the same time to contractors or other commercial shippers, instruction will be given to identify each bill of lading with the proper type of shipment. However, bills of lading will not be marked "CARLOAD" or "LESS THAN CARLOAD" because of the penalties which may result.

g. Copies. One additional copy of each bill of lading will be made for the contractor or other commercial shipper.

h. Review of Government Bills of Lading Completed by Contractors. Copies of bills of lading which have been completed by the contractor will be reviewed by the issuing officer for compliance with preparation instructions. When noncompliance by the contractor with such instructions will apparently result in additional transportation charges, a carrier receipted copy of the erroneous bill of lading, a copy of the instructions, and reference to the applicable route order, or export traffic release, if any, will be forwarded to the appropriate MTMTS area/field office commander who will review the file and return it to the issuing officer with a detailed statement of any unauthorized costs incurred. The statement will include appropriate tariff references. The issuing officer will refer the file to the contracting officer for corrective action.

Section VI. DISTRIBUTION OF GOVERNMENT BILLS OF LADING

214061 Tender of Bills of Lading to Carrier. *a. Number of Copies of Bills of Lading.* When shipments are tendered to a carrier for transportation, the Original, shipping order, two waybill copies, and the required number of memorandum copies of the bill of lading depending upon the nature of the shipment and the distribution to be made of the memorandum copies, will be presented to the carrier for receipt purposes.

Note. When two or more bills of lading are issued under the provisions of paragraph 214058 the second or subsequent bills of lading will not be receipted for by the initial carrier. See paragraph 214062*g* for distribution procedures.

b. Receipt by Carriers. All copies of the bill of lading turned over to a carrier, except those covering subsequent shipment(s), in accordance with *a* above will be receipted by the carrier to show the carrier's name, date shipment is received, and signature of carrier's agent. When shipments are to be stopped en route to complete loading, see section XII for instructions regarding receipt by carrier.

c. Deletion of Condition No. 7. Shipping officers will take no action which will delay the forwarding of a shipment when carrier's agent deletes Condition No. 7 on the Government bill of lading upon receipt for the shipment.

214062 Distribution by Consignor. *a. Action by Issuing Officer.* Except as provided below, after the Original bill of lading and all copies have been receipted by the carrier, the Original and the Property Received copy, together with a copy of the DOD Single Line Item Release/Receipt Document (DD Form 1348-1) for MILSTRIP shipments other than movements to a water terminal for export, will be forwarded to the consignee (para 214064*a*). The shipping order and two way-

bill copies will be given to the carrier and Property Shipped copy will be kept by the issuing officer for record purposes. *Exceptions:* Exceptions are contained elsewhere in this section and also are contained in section XI for shipments of unaccompanied baggage when the carrier elects to use the alternative delivery receipt procedure.

b. Use of Mailing Folders for Transmission of Bills of Lading. Multiple-use mailing folders may be used for the transmission of Original and memorandum copies of bills of lading when approved by the military service concerned. Requisitions for these folders will be submitted through normal publications supply channels of the service authorizing such use.

c. Shipments Billed to Transportation Officers. When shipments are billed to transportation officers for the account of other persons, the Original bill of lading, together with the Property Received copy and for MILSTRIP shipments a copy of DD Form 1348-1, will be forwarded to the destination transportation officer.

d. Copy for Military Traffic Management and Terminal Service.

(1) *General.* Except where special arrangements have been made otherwise by MTMTS with the military services, the memorandum copy identified as the "MTMA Copy" or "DTMS Copy" or, when a memorandum copy is not identified in this manner, one legible memorandum copy, conspicuously stamped "MTMTS Copy" (bottom center) of each bill of lading issued for transportation service from points in the CONUS will be forwarded by the issuing officer, except as provided in (*a*), (*b*), (*c*), (*d*), and (*e*) below, to the area/field office commander, MTMTS, as follows:

ON SHIPMENTS ROUTED BY AREA/FIELD OFFICE COMMANDERS, MTMTS, ONE COPY WILL BE FORWARDED TO THE AREA/FIELD OFFICE COMMANDER WHO ISSUED THE ROUTING ON SHIPMENTS ROUTED BY COMMANDER, MTMTS, ONE COPY WILL BE FORWARDED TO THE AREA/FIELD OFFICE COMMANDER, MTMTS, SERVING THE AREA IN WHICH THE POINT OF ORIGIN OF THE SHIPMENT IS LOCATED.

ON SHIPMENTS NOT ROUTED BY MTMTS AREA FIELD OFFICE COMMANDERS ONE COPY WILL BE FORWARDED TO THE AREA/FIELD OFFICE COMMANDER, MTMTS, SERVING THE AREA IN WHICH THE ISSUING OFFICER IS LOCATED (chap. 108).

When preassembled sets have the Number 5 copy printed "Copy for Chief of Transportation," that copy will be used for this purpose. Copies of bills of lading will be accumulated and forwarded (mailed unfolded) on a daily basis. Installations or activities issuing 25 bills of lading or less per week may forward memorandum copies at the close of the week.

(*a*) *Stopoff to complete loading.* When shipments are stopped in transit to complete loading, the transportation officer at the final stopoff point will forward the memorandum copy for MTMTS to the area commander serving the area in which the bill of lading was issued. See section XI for instructions.

(*b*) *Bulk liquid or gases.* When shipments consist of bulk liquids or gases, the memorandum copy for MTMTS will be forwarded to the Commander, St. Louis Field Office, EAMTMTS, P.O. Box 7329, St. Louis, Mo. 63177.

(*c*) *Shipments for the National Aeronautics and Space Administration.* When shipments are made by the military services for the National Aeronautics and Space Administration (NASA) which are chargeable to the funds of NASA, the memorandum copy will be forwarded promptly to National Aeronautics and Space Administration (BRL), Washington, D.C. 20546.

(*d*) *Shipments for the Atomic Energy Commission.* When shipments are made by the military services for the Atomic Energy Commission (AEC) which are chargeable to the funds of AEC, the memorandum copy will be forwarded promptly to AEC ALO, Sandia Base, Albuquerque, N. Mex. 87115.

(*e*) *Procurement traffic.* When contractors or vendors have been delegated authority to contact the appropriate MTMTS area field office for traffic services (chap. 225), the purchasing, contract management, or transportation officer who delegated such authority will arrange to have the completed memorandum copy for MTMTS furnished to the area commander who issued the routing.

(2) *Additional information required on the memorandum copy for MTMTS.*

(*a*) Except as provided below, the freight classification item number for the commodity being shipped, identified as to UFC, CFC, or NMFC, will be entered in the "Description of Articles" block. UFC or CFC item numbers, as appropriate, will be used to identify commodities shipped by rail. NMFC item numbers will be used to identify commodities shipped by all other methods (including surface freight forwarder, motor, railway or bus express, commercial air, water, and pipelines). Navy shipping activities will enter appropriate UFC, CFC, or NMFC number as provided in Naval Supply Systems Command Manual vol V. When a shipment consists of two or more commodities which are *described* on the bill of lading, the item number for only the commodity identified with the largest segment of the estimated transportation charges will be shown. Shipments described as "Freight, All Kinds" (para 214036*a*) are exempt from this requirement. Transportation officers at Air Force AMA's and depots will show the above information on the statistical memorandum copy that is retained (in lieu of the MTMTS copy) for processing in accordance with AFLCR 75-13.

(*b*) Except for Navy activities, the estimated transportation charges will be shown in the space to the right of the "Weights" column. Navy shipping activities are exempt from providing estimated transportation charges since this information is furnished to MTMTS by the Navy Material Transportation Office, Norfolk, Va.

(*c*) On MTMTS routed traffic only, the type of rate: class, exception, commodity, or tender, indicated in the domestic route order or export traffic release will be shown in the same space with the estimated transportation charges, for example "$647.63—commodity." *Exception:* Navy activities will place this information on the memorandum "Accounting Copy" which is furnished to the Navy Material Transportation Office, Norfolk, Va. Air Force AMA's and depots will place this information on the memorandum copy retained by them for statistical processing in accordance with AFLCR 75-13.

e. Copy for Military Services for Accounting Purposes. When required by regulations of the military service concerned, a memorandum copy will be forwarded promptly to appropriate authority for accounting purposes. See AR 55-14 for the Army; AFM 75-1 for the Air Force, NAVSUP Manual, Volume V for the Navy, and Marine Corps Transportation Manual (MCOP-4600.7), chapter 3, for the Marine Corps. When bills of lading are issued citing the funds of another military service, the transportation officer issuing the bill of lading will insure that distribution is made of the accounting copy of the bill of lading in accordance with the regulations of the service whose funds were cited or with any special instructions received with authority to cite funds of that service. Local finance and accounting activities should be contacted when disposition to be made of the accounting copy is not known. Prompt distribution of accounting copies following issuance of bills of lading is essential. If the bill of lading cites a Navy appropriation for the entire shipment or for a portion of the shipment a memorandum copy and a copy of all continuation sheets for the entire shipment will be stamped "Accounting Copy" and forwarded to the Officer-in-Charge, Navy Material Transportation Office, ATTN: Code 23, U.S. Naval Station, Norfolk, Va. 23511.

f. Exceptions to Bills of Lading Distribution for Shipments by Freight Forwarders and REA Express.

(1) *By freight forwarders.* When issued to cover shipments to consignees not located at military installations or activities, the Original bill of lading will be given to the carrier for delivery to the consignee (para 214064*b*). The Property Received copy, together with a copy of DD Form 1348-1 for MILSTRIP shipments other than movements to water terminals for export, will be mailed to the consignee.

(2) *By REA Express.*

(*a*) *To military installations.* When destination is a military installation or activity, the Original bill of lading and the Property Received copy, together with a copy of DD Form 1348-1 for MILSTRAP shipments other than movements to water terminals for export, will be mailed promptly to the destination transportation officer. A memorandum copy of the bill of lading will be attached to the shipment.

(*b*) *To other than military installations.* When the consignee is not located at a military installation or activity, the Original bill of lading will be given to the carrier for delivery to the consignee (para 214064*b*). The Property Received copy of the bill of lading, together with a copy of DD Form 1348-1 for MILSTRIP shipments other than movements to water terminals for export, will be mailed to the consignee.

g. Transit Shipments. When shipments are forwarded from transit point, a memorandum copy of the inbound bill of lading will be furnished the carrier that performs the outbound transportation service, or the inspection bureau, when such copy is required.

h. Animals. When shipments of animals are to be stopped en route for rest, water, and feed, one copy of the bill of lading will be furnished to the Bureau of Animal Industry, Department of Agriculture, Washington, D.C. 20250. See chapter 215 for complete instructions governing the shipment of animals.

i. Attendants. When attendants accompanying shipments of animals are furnished tickets, one copy of the bill of lading will be given to carrier's agent for filing with ticket accounts. See chapter 215 for complete instructions governing shipment of animals.

j. Stopoff Shipments. For distribution of bills of lading covering shipments stopped in transit for partial unloading or to complete loading, see section XII.

k. Personal Property. One copy of bill of lading covering shipment of baggage, household goods, or personal effects will be furnished to the owner of the goods and one copy to the disbursing officer (except on shipments for members of the Departments of the Army and the Air Force), or as directed by the shipper department.

l. Contractors. When issuing officers forward bills of lading to contractors for use in making shipments for the Government, one memorandum copy will be kept by the issuing officer for record purposes.

m. Shipments Moving Under Military Guard. The Original bill of lading and the Property Received copy may be transmitted to destination by the person in charge of the guard detail when a shipment is moving under military guard.

n. Duty-Free Imports. When war materials as defined in the Armed Services Procurement Regulation are shipped from points in Canada or Mexico to the United States on a "duty free" basis, two copies of the bill of lading will be sent to the Collector of Customs and one copy to the proper U.S. military command, as directed by the shipper department.

o. Shipments Charged to More Than One Specific Fund Citation. When separate portions of a shipment are to be charged to different specific fund citations, one priced memorandum copy will be furnished to each fiscal or transportation office concerned, as directed by military department or agency responsible for payment of charges.

p. Shipments for Other Government Departments. See instructions prescribed in paragraph 214015*g*.

q. Export Shipments. On oversea shipments except those moving on through bills of lading, a memorandum copy of the GBL or of the commercial bills of lading will be attached to the supply documents to be forwarded with the material to the water or aerial port of embarkation.

r. Shipments by Air-Surface on Multiple Bills of Lading. Where multiple bills of lading are issued under provisions of paragraph 214058, distribution of the copies of the first bill of lading will be made as provided in *a* above except that the Property Received copy will be forwarded to the final consignee as shown on the bill of lading covering the last part of movement. Memorandum copies of each subsequent bill of lading (except the Property Shipped copy) will be distributed in the usual manner by the consignor except that the carrier's signature will not be shown thereon. The Original, shipping order, two waybill copies, and Property Shipped memorandum copy of each subsequent bill of lading will be turned over to the initial carrier for the movement for delivery to succeeding carriers. As an alternative procedure, each bill of lading set for movements beyond the rebilling point may be placed in a water repellent manila envelope addressed to respective carriers at rebilling points. Each envelope will be conspicuously marked "Bill of Lading" and securely affixed to the number one package in the shipment. Complete instructions addressed to the carrier will be

attached to each set of bills of lading turned over to the initial carrier or will otherwise accompany shipment. Such instructions will cover the proper receipting and distribution of copies and brief information relative to inbound movement as well as instructions for proper accomplishment of inbound bill of lading, including annotations relative to loss or damage. The carrier should also be advised that where loss or damage occurs during inbound movement, the bill of lading covering outbound movements should be properly annotated on its face to reflect such deficiency. Properly addressed penalty indicia envelopes may be *provided carriers for mailing* of Original and memorandum copies of bills of lading.

214063 Report of Shipment (Repship). Except as provided below, when a requirement exists to forward the consignee transportation officer a notice of shipment such notice will be transmitted by electrical means to be received at least 24 hours prior to the arrival of the shipment. *Exception:* In those instances where the length of time in transit will permit other than electrical means of transmission to provide the information at least 24 hours prior to arrival of shipment, transmittal of the Government bill of lading or similar transportation document will satisfy the requirement (para 214064). Such document will be prominently identified as being a Report of Shipment (Repship).

214064 Transmittal of Bill of Lading to Consignee. *a. Most Expeditious Means.* Except as provided below, after the Original bill of lading and all copies have been receipted by the carrier, the Original and the Property Received copy, together with a copy of DOD Single Line Item Release Receipt Document (DD Form 1348-1) for MILSTRIP shipments other than movements to a water terminal for export, will be promptly *transmitted to the consignee by the most expeditious* means available to assure arrival with or in advance of shipment. Also, see paragraph 214065*f* for instructions to consignees not in Government service. *Exceptions:* Exceptions are contained in paragraphs 214062*f* and 214081*c* and also are contained in section XI for shipments of unaccompanied baggage when carrier elects to use the alternative delivery receipt procedure.

b. Transmitted by Carrier. The Original bill of lading and the Property Received copy, together with a copy of DD Form 1348-1 for MILSTRIP shipments other than movements to water terminals for export, may be given to the carrier for delivery to the consignee when this method is faster than mail service and is acceptable to the carrier. (For shipments by railway express and freight forwarders see para 214062*f*.) When utilizing this method, the documents will be placed in a suitable envelope bearing the name and address of the consignee and a statement of the contents. In addition, the envelope will be prominently marked:

IMPORTANT PAPERS
TO BE DELIVERED BY CARRIER TO
CONSIGNEE WITH SHIPMENT

When bills of lading are to be forwarded in this manner, the space "Initial Carrier's Agent, by Signature Below, Certifies He Received the Original Bill of Lading. ☐ Yes" will be checked on all copies.

Section VII. ACCOMPLISHMENT OF GOVERNMENT BILLS OF LADING

(For Shipments of Unaccompanied Baggage Moving Under the Alternative Delivery Receipt Procedure see Section XI)

214065 Acknowledgment of Service. *a. General.* The accomplishment of a Government bill of lading is the certification by the consignee that the transportation service specified in the bill of lading, was performed by the carrier. This is done by the execution of the Consignee's Certificate of Delivery on the Original bill of lading. This certification is required to support the carrier's bill for payment of the transportation charges. While the issuing officer has primary responsibility for accuracy and completeness of the terms of contract spelled out on the bill of lading, the consignee is equally responsible for determining the accuracy and completeness of the bill of lading

prior to accomplishment of the document. This responsibility will not be construed as nullifying the requirement for prompt accomplishment of bills of lading by consignee provided for in *c* below. The administrative directions, conditions, and instructions contained on the reverse of the Original Government bill of lading will be observed. As an aid in accomplishing Government bills of lading, cross references to applicable paragraphs of this regulation are shown in figures 214–1 and 214–2.

b. Verification of Service and Delivery of Articles Shipped. Each bill of lading will be checked carefully against a tally of the shipment delivered by the carrier to determine that the service rendered by the carrier fulfills the requirements of the bill of lading. Bills of lading will not be accomplished "Subject to check" or with any other indefinite qualification.

c. Prompt Accomplishment and Surrender of Bills of Lading. Upon receipt of shipments, transportation officers or other individuals authorized in this regulation will promptly accomplish and surrender Government bills of lading to carriers. *(Exception:* When shortage is found upon delivery of a shipment, accomplishment of the Government bill of lading may be delayed a reasonable length of time while an effort is made to resolve such shortage, but in no case should the delay exceed 30 days. An SF 361 (Discrepancy in Shipping Report (DISREP)), when required, will be prepared in accordance with paragraph 224021.

d. Bills of Lading Not Received. If Government bills of lading are lost or not received within a reasonable time (15 days), transportation officers will take action as prescribed in section X, this chapter, for the issuance and accomplishment of a Certificate in Lieu of Lost Government Bill of Lading (SF 1108).

e. Conversion to Government Bills of Lading. The conversion of commercial documents to Government bills of lading and the accomplishment of these bills of lading will be performed promptly as provided in section IX, this chapter.

f. Consignees Not in Government Service. When shipments are consigned to individuals or commercial industries outside the Government service who are not familiar with handling Government bills of lading, the issuing officer will instruct such consignees regarding the accomplishment of bills of lading and the procedures to follow in the event of a loss, damage, overage, or shortage.

g. Material Inspected and Rejected at Destination but Not Removed From Carrier's Equipment. When material shipped on a Government bill of lading is inspected at destination and formally rejected because it nonconforms with contract specifications and is not removed from carriers' equipment, the bill of lading will be annotated in the "Description of Articles" space as follows: "MATERIAL REJECTED AT DESTINATION AND NOT REMOVED FROM CARRIER'S EQUIPMENT." The bill of lading will be accomplished for the billed weight and surrendered to the carrier named in the "Consignee's Certificate of Delivery." To enable proper contract adjustment, the transportation officer will promptly notify the appropriate inspecting or accountable officer in writing that the bill of lading has been accomplished for the billed weight and surrendered to the carrier (para 213014).

h. Unloading of Rail Cars at Commercial Piers. When carload shipments are unloaded by rail carriers at commercial piers, the name of the carrier performing this service will be shown in the "Description of Articles" space by use of the following annotation: "Unloading service performed by _____ (Name of carrier)."

This annotation will be initialed by the port transshipper or his authorized representative.

214066 Consignee's Certificate of Delivery. The following information will be entered by the consignee in the spaces provided in the Consignee's Certificate of Delivery:

a. Date of Delivery. The exact date on which the shipment was received from the carrier will be shown in the space provided. If the shipment was tendered for delivery on a date prior to the day on which delivery was accepted or if the shipment was tendered for delivery after expiration of the Desired Delivery Date (DDD) shown on the bill of lading, the provisions of paragraph 202039*c* (1) (*b*) or 202040, as appropriate, also will apply.

b. Name of Transportation Company and Actual Point of Delivery.

(1) *Line haul carrier.* The full name of the line-haul carrier that delivered the shipment and

the actual point of delivery will be shown. If delivery service is performed by an agent of the carrier, the name of the agent will not be shown. When switching service on carload freight or express shipments is performed by other than the last line-haul carrier, the switching carrier's name or initials will be shown in parentheses after the name of the last line-haul carrier as: (switched by A&B Ry).

(2) *Delivery by other than specified carrier.* Whenever a shipment is delivered by a line-haul carrier other than that specified as delivering carrier on the bill of lading, the full name of the line-haul carrier actually making delivery will be furnished by the consignee to the MTMTS area/field office commander who issued the controlling route order. Similar situations not controlled by route orders will be reported to the shipper with an information copy of the notice to the MTMTS area/field office commander in whose area the shipment originated. In either case a copy of the bill of lading and when available a copy of the carrier's delivery receipt will be forwarded by the consignee with the report to the MTMTS area/field office commander. This requirement will not be construed as applying to line-haul carriers who make physical delivery of express or freight forwarder shipments.

e. Delivery Service.

(1) *General.* Except as provided below, when carrier furnishes delivery the space marked "Carrier Furnished ☐ Delivery_____Service at Destination" will be checked for all modes of transportation. *Exception:* For rail or piggyback shipments this block will be checked only when the carrier furnishes a highway vehicle for movement of the shipment from the carrier's terminal to the receiving activity.

(2) *Delivery service performed by carrier.* When delivery service, including multiple delivery, is performed by the carrier at the request of the consignee or other authorized person, and a tariff charge applies, the following indorsement will be shown on the bill of lading as prescribed in Administrative Directions No. 2 on the back of the bill of lading and signed by the person requesting the service:

Delivery service was requested and performed by _____
_____
(Name of carrier)
_____ stop(s) made in accomplishing delivery.
(Number)
_____
(Signature of person requesting the service)

(3) *Trap car service.* When shipments are received in trap cars, the space marked "Carrier Furnished ☐ Trap Car _____ Service at Destination" will be checked.

d. Gross Weight in Both Words and Figures. The gross weight of shipments will be shown in both words and figures (*Exception*: A bill of lading covering shipment of bulk fuels at a rate per gross gallon, or net barrel, will be accomplished by the gross gallon, or net barrel, as applicable to the rate. The word "pounds" will be stricken and the word "gallons" or "barrels," as appropriate, will be entered.) The gross or total weight to be receipted for will be as follows:

(1) *Total weight.* The total weight of the shipment, including pallets, platforms, skids, dunnage, bulkheads, packing, or similar material, when furnished and installed at Government expense, will be shown in the Consignee's Certificate of Delivery when shipment is received.

(2) *Loss and damage.* When property is lost or rejected by consignee because of damage, the weight of such property will be deducted from the total weight of the shipment and noted on the reverse of the Original bill of lading in the space provided for "Report of Loss, Damage, or Shrinkage." The net weight of the shipment after such deductions will be shown in Consignee's Certificate of Delivery. See chapter 221 for complete instructions regarding loss and damage.

(3) *Excess articles.* The weight of excess articles will not be included in the weight shown. See chapter 221 for instructions governing receipt of freight in excess of that listed on the bill of lading.

(4) *Obvious error.* When there is an obvious error in the total weight shown on the bill of lading, the actual weight at point of delivery will be shown.

(5) *Shrinkage.* No attempt will be made by the officer accomplishing the bill of lading to

adjust the weight because of material shrinkage, temperature, or customary tolerance.

(6) *Minimum or other arbitrary weights.* Minimum carload or truckload weights or arbitrary weights will not be shown as the weight of the shipment.

(7) *Scale weight.* Scale weights may be used to determine the net weight to be shown unless there is some evidence of shortage having occurred between the time of weighing and delivery at destination.

e. Inspection of Seals at Destination. When a shipment arrives in sealed equipment the seal numbers will be compared with the seal numbers shown on the bill of lading. If the seals are the same as those originally applied and are not broken, the word "intact" will be shown opposite the applicable seal numbers; if the seals are broken, the word "broken" will be shown; if the seals are other than the original seals, an annotation similar to the following will be shown in the "Description of Articles" or "Marks" spaces or on the reverse of the bill of lading: "Original seals missing. Received with ABC RR Seal No. xxxx (show either 'intact' or 'broken')."

f. Report of Loss, Damage, or Shrinkage. When a shipment involves shortage, pilferage, or damage the "Report of Loss, Damage, or Shrinkage" on the reverse of the Original bill of lading will be completed as prescribed in paragraphs 224014 *a* and *b*.

g. Transit Shipments. When shipments are recorded for transit, the annotation "Recorded for Transit" will be shown in the Consignee's Certificate of Delivery.

h. Signature of Consignee. The Certificate of Delivery will be signed by the consignee or a designated representative.

214067 Record of Accomplishment. A record will be made on the Property Received copy of the bill of lading of all information shown in the Consignee's Certificate of Delivery on the Original bill of lading or the Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108), the notations on the reverse, and the date the bill of lading was surrendered to the carrier. The Property Received copy will be filed by a system providing ready access from bill of lading number reference and will be retained in accordance with records retirement criteria prescribed by the military departments.

214068 Surrender of Accomplished Bills of Lading. After the accomplishment has been completed the consignee will surrender the Original Government Bill of Lading (SF 1103 or 1131) or Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108) to the carrier named in the Consignee's Certificate of Delivery. This document will be surrendered to no other carrier. When the carrier to which the bill of lading is accomplished desires another participant in the movement to collect the transportation charges, it may execute a waiver and deliver the document to that carrier for collection of the transportation charges.

Section VIII. CONSIGNEE RECEIPTS WHEN GOVERNMENT BILLS OF LADING ARE NOT AVAILABLE

(For Shipments of Unaccompanied Baggage Moving Under the Alternative Delivery Receipt Procedure see Section XI)

214069 Use of Carrier's Freight Bill. The Original U.S. Government Bill of Lading (SF 1103) should be available to the consignee for accomplishment when the shipment arrives. However, to insure prompt delivery when the Original bill of lading is not available at the time the shipment is tendered for delivery, the consignee will receipt the carrier's freight bill in duplicate in the amount and condition in which the shipment is received and surrender the duplicate to the carrier's representative. However, if the carrier elects to tender the shipment on the Government Freight Waybill Original (SF 1105) and the Carrier's Copy (SF 1106) these documents will be receipted in the same manner as the carrier's freight bill. The original of the waybill will be retained by the consignee and the carrier's copy of the waybill will be surrendered to the carrier's representative. As soon as the bill of lading becomes available it will be accomplished in the usual manner.

214070 Use of Temporary Receipt in Lieu of

GBL (SF 1107). If the procedure in paragraph 214069 does not satisfy the carrier, the consignee will issue a Temporary Receipt in Lieu of U.S. Government Bill of Lading (SF 1107) in duplicate. The Original will be surrendered to the carrier upon delivery of the shipment and the duplicate will be retained by the consignee. An adequate record of all temporary receipts issued will be kept by the consignee.

214071 When Original Bill of Lading Is Received. When the Original bill of lading is received after the carrier's freight bill has been receipted, it will be accomplished and given to the carrier in the usual manner. If a temporary receipt has been issued, the Original bill of lading will be accomplished and exchanged for the temporary receipt. The temporary receipt will be indorsed with an appropriate reference to the bill of lading and filed by the consignee.

214072 When Original Bill of Lading Is Lost. When a temporary receipt has been issued and it later develops that the Original bill of lading has been lost, a Certificate in Lieu of Lost Government Bill of Lading (SF 1108) will be issued in accordance with section X and exchanged for the outstanding temporary receipt. The temporary receipt will be filed with the retained memorandum copy of the certificate.

Section IX. USE OF COMMERCIAL DOCUMENTS FOR CONVERSION TO GOVERNMENT BILLS OF LADING

214073 General. *a. Use of Commercial Documents for Government Shipments.* Shipments for which transportation charges are payable by the Government directly to carriers normally will not be made on commercial bills of lading, commercial express receipts, or other forms customarily provided by commercial carriers. Exception is authorized only under one or more of the following conditions and upon annotation of such forms in the manner prescribed in *b* below:

(1) In an emergency when material must be shipped immediately and Government bill of lading are not readily available. To avoid necessity for using commercial documents, an advance supply of partially completed Government bills of lading may be furnished to contractors for shipment of material for the Government.

(2) Where a net monetary benefit to the Government would result on shipments of newly procured material.

(3) When notified by the headquarters of the military service concerned. Such notification will be based on specific authorization by the Comptroller General of the United States.

b. Notation on Commercial Documents. When a Government shipment is forwarded on a collect commercial bill of lading, collect commercial express receipt, or other forms customarily provided by commercial carriers, the following notation will be placed on the original and all copies of the commercial documents: "TO BE CONVERTED TO A GOVERNMENT BILL OF LADING BY

_____
(Indicate office or activity to effect conversion)

AUTHORITY OF _____ DATED _____."
(Letter, TWX, etc.)

Exception: Commercial bills of lading issued under provisions of paragraph 214077 will not show the office to effect conversion nor the authority.

c. Order Bills of Lading Prohibited. The use of a commercial uniform order bill of lading for Government shipments tendered to a carrier is prohibited.

d. No Exception From Terms of Government Bill of Lading. The use of a collect commercial bill of lading for conversion to a Government bill of lading does not exempt the shipment from the terms and conditions of a Government bill of lading or from other requirements that apply to the movement of Government traffic.

214074 Conversion of Commercial Documents to Government Bills of Lading. *a. Shipment on Collect Commercial Bill of Lading.* When transportation charges are properly payable by the Government and a shipment moves under the conditions provided in paragraph 214073*a* on a collect commercial bill of lading, express receipt, or other form customarily provided by commercial carriers, the commercial document will be annotated as provided in paragraph 214073*b* and will

be converted to a Government bill of lading as follows:

(1) *Shipments consigned to military activities.* As determined by the authorizing transportation office, conversion of the commercial document to a Government bill of lading will be effected promptly by either the authorizing transportation office or by the consignee. In the latter case, the office authorizing shipment on the commercial documents will instruct the shipper to send the commercial document direct to the consignee. Also the authorizing office will furnish the consignee with all additional information required for the conversion. Such information should include the contract number or other authority for payment from Government funds, the transportation appropriation chargeable, and the f.o.b. point named in the contract.

(2) *Shipments consigned to nonmilitary activities.* When a shipment is consigned to a nonmilitary activity, the shipper will be instructed to send the original of the collect commercial bill of lading, express receipt, or similar document to the authorizing transportation office. Upon receipt of the commercial document, it will be converted promptly to a Government bill of lading by the authorizing transportation office (para 214072*a*). The Original and Property Received copy of the Government bill of lading will be forwarded to the consignee with instructions for accomplishment and, as appropriate, other action prescribed in section VII.

b. Several Documents Converted to One Government Bill of Lading. More than one commercial document may be converted to a single Government bill of lading when all documents are of the same type, all shipments are moving between the same points via the same route to the same consignee, and all shipments were tendered the origin carrier on the same day.

c. Prepaid Documents. Prepaid commercial bills of lading or prepaid express receipts will not be converted to Government bills of lading. See chapter 220 for diversion and reconsignment of prepaid shipments.

214075 When Original Commercial Documents Are Not Available. When the original commercial bill of lading or the original commercial express receipt is not available, conversion to a Government bill of lading may be made from the following documents:

a. Express "Delivery Sheet," carrier's "Shipping Order," or carrier's "Freight Waybill" (A.A.R. Standard Form No. AD 129—Part 3).

b. Photostat of such commercial document(s) provided the photostat bears the notation (placed on commercial document prior to photostating):

"PHOTOSTAT OF THIS DOCUMENT FURNISHED CONSIGNEE _____ TO BE CONVERTED TO (Date) GOVERNMENT BILL OF LADING."

c. Certified true copy of such commercial document(s), provided the certified copy contains a carbon impression of the following notation placed on the commercial document:

"CERTIFIED TRUE COPY OF THIS DOCUMENT FURNISHED CONSIGNEE _____ TO BE CONVERTED TO GOVERNMENT BILL OF LADING." (Date)

214076 Procedure for Conversion. *a. Data To Be Shown on Converted Bill of Lading.* A serially numbered Government bill of lading will be prepared showing the office responsible for payment of charges, appropriation chargeable, issuing office and officer, date of issue, information contained in consignee's certificate, scale weight and where obtained, number and initials of vehicles or cars used, route of movement, and the certificate of issuing officer. The description of articles and other general data shown on the commercial bill of lading need not be transcribed but the commercial bill of lading will be securely attached to the Government bill of lading after both documents have been cross-referenced. Any discrepancies shown on the commercial bill of lading will be noted on the Government bill of lading. When sufficient copies of commercial documents are not available or cannot be readily reproduced, all information appearing on the commercial document will be shown on the Government bill of lading.

b. Distribution of Memorandum Copies of Converted Government Bills of Lading. The office effecting conversion will forward one memorandum copy of each converted Government bill of lading (SF1103a) together with a copy of the converted commercial document to the following: The appropriate MTMTS area field office (214063*d*); the appropriate office for accounting purpose-

(214062*e*); and, when conversion is effected by the consignee, to the transportation office that authorized shipment on the commercial document. A copy of each will be retained for the files of the office effecting the conversion. When the description of articles and other general data shown on the commercial document have been transcribed on the converted Government bill of lading (*a* above), it will not be necessary to attach a copy of the commercial document thereto.

214077 Shipments of Coal and Other Solid Fuels Purchased F.O.B. Mine. *a. Authorized Use of Carrier's Destination Freight Bill.* Coal and other solid fuels purchased f.o.b. mines for delivery in railroad equipment usually will be shipped on collect commercial bills of lading. Frequently, these shipments are forwarded from mines on scale or mine tickets in lieu of commercial bills of lading. In such instances, the consignee is authorized to convert the carrier's destination freight bill to a Government bill of lading (MS Comp. Gen. A-24222, 11 January 1944). The conversion of this document to a Government bill of lading is authorized only for shipments of coal and other solids fuels on which a commercial bill of lading has not been issued.

b. Conversion of Carrier's Destination Freight Bill. The carrier's destination freight bill will be converted in the same manner as a collect commercial bill of lading. When converted, the freight bill will be cross-referenced with the Original Government bill of lading and attached to that document in accordance with paragraph 214076.

Section X. CERTIFICATE IN LIEU OF LOST GOVERNMENT BILL OF LADING

(For Shipments of Unaccompanied Baggage Moving Under the Alternative Delivery Receipt Procedure see Section XI)

214078 When Issued. A Certificate in Lieu of Lost Government Bill of Lading (SF 1108 and SF 1108a) is a form to be used for the settlement of transportation charges. It is issued by authorized transportation officers when it has been determined that the Original Government bill of lading (SF 1103 or SF 1131) has been lost or destroyed. If the Original Government bill of lading has not been received by the consignee within 15 days after delivery of the shipment, or if it is known that this document has been lost or destroyed, a Certificate in Lieu of Lost Government Bill of Lading will be issued.

214079 Action Prior to Issuance and Accomplishment. Before issuing or accomplishing a Certificate in Lieu of Lost Government Bill of Lading (SF 1108 and SF 1108a), every effort should be made to locate the Original bill of lading, except when the bill of lading was accomplished to the carrier and later declared by the carrier to be lost or destroyed. Otherwise, it will be determined that no bill of lading has previously been accomplished to cover the shipment. By keeping accurate records, transportation officers will make certain that no duplicate or improper accomplishment of these documents is made.

214080 By Whom Issued. A Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108 and SF 1108a) may be issued by the consignee provided the cosignee is an agent of the Government and has in his possession a memorandum copy of the lost Original bill of lading or the U.S. Government Freight Waybill—Original (SF 1105 or SF 1133), on which the shipment moved. In any other circumstance, the consignee will notify the issuing officer of the loss of the original Government bill of lading. Upon receipt of such notice, the issuing officer will issue the necessary certificate from the memorandum copy of the lost Original bill of lading in his possession, or from information on the shipping order copy (SF 1104 or SF 1132), which must be obtained from the initial carrier.

214081 Data and Action Required. *a. General.* Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108 and SF 1108a) is subject to all the requirements prescribed for the issuance and accomplishment of Government bills of lading. A Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108 and SF 1108a) must be completed in every detail to indicate all information provided on either the memorandum copy of the lost Original bill of lading (SF 1103a or SF

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1131a), or the U.S. Government Freight Waybill (SF 1105 or SF 1133), or the shipping order copy (SF 1104 or SF 1132), whichever is used in preparation.

b. Issuance by Consignee. When a Certificate in Lieu of Lost U.S. Government Bill of Lading is prepared by the consignee, he will--

(1) Indicate in the Certificate of Consignee the number of the Standard Form (SF 1103a, 1104, 1105, 1131a, 1132, or 1133) used for the preparation of the Certificate in Lieu of Lost U.S. Government Bill of Lading, and supply the carrier delivery information as indicated.

(2) Insert and complete the following: "SHIPMENT RECEIVED FROM

_____

(Destination carrier, date and

_____." The

point of delivery.)

actual point of delivery, date and delivering carrier will be shown in accordance with instructions provided in paragraph 214066.

(3) Date and sign the Certificate of Consignee and surrender the original Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108) to the carrier for accomplishment of the Certificate and Waiver by Transportation Company, and for the billing of transportation charges.

(4) Immediately forward one memorandum copy (SF 1108a) to the office which issued the original bill of lading, where the issuance thereof will be noted in that activity's bill of lading accountability records.

(5) File one memorandum copy (SF 1108a) and maintain a record of the issuance to preclude duplicate accomplishments.

c. Issuance at Origin. When a Certificate in Lieu of Lost U.S. Government Bill of Lading is prepared by the transportation officer who issued the original missing bill of lading, he will--

(1) Indicate in the Certificate of Issuing Officer the number of the Standard Form (SF 1103a, 1104, 1105, 1131a, 1132, or 1133) used for the preparation of the Certificate in Lieu of Lost U.S. Government Bill of Lading.

(2) Date and sign the Certificate of Issuing Officer and immediately forward the original (SF 1108) and one memorandum copy (SF 1108a) to the consignee for execution of the Certificate of Consignee and accomplishment to the delivering carrier.

(3) File one memorandum copy (SF 1108a) and maintain a record of the issuance.

d. Original Bill of Lading Located Before Certificate Is Accomplished. When the Original bill of lading is located before the Certificate in Lieu of Lost Bill of Lading (SF 1108) is accomplished the Original bill of lading will be accomplished. In such cases, the notation, "Canceled--Original bill of lading located, accomplished, and delivered to last line-haul carrier," will be placed on the certificate. If the certificate was issued by the consignee, it will be canceled by the consignee. If issued by the consignor, the certificate will be returned to the consignor for cancellation. In either instance, all copies of the canceled document should be kept in the bill of lading file.

e. Original Bill of Lading Located After Certificate Is Accomplished. When the Original bill of lading is located after a Certificate in Lieu of Lost Government Bill of Lading (SF 1108) has been accomplished, the consignee will place a notation on the face of the Original bill of lading to show that the certificate was issued. The Original bill of lading then will be forwarded to the appropriate disbursing office (para 214033) for its information and transmittal to the U.S. General Accounting Office. In such instances, the consignee's copy of the certificate (SF 1108a) will be annotated to show that the Original bill of lading was located and forwarded to the disbursing office.

f. Temporary Receipt Issued and Bill of Lading Lost. When a Temporary Receipt in Lieu of Government Bill of Lading (SF 1107) has been issued while awaiting receipt of the Original bill of lading and it later develops that the bill of lading is lost, a Certificate in Lieu of Lost Government Bill of Lading (SF 1108) will be issued in the same manner as though a Temporary Receipt had not been issued except that the certificate will be given to the carrier in exchange for the original Temporary Receipt and the latter form will be filed with the memorandum copy of the certificate.

g. Duplicate Certificate in Lieu of Lost Government Bill of Lading. When it is necessary to issue a duplicate Certificate in Lieu of Lost Government Bill of Lading (SF 1108) at origin or destina-

tion, because of loss of a certificate previously issued, the duplicate will be annotated to show the reason for reissuance and reference will be made to the first document issued.

h. Permanent Record of Certificates Issued. A memorandum copy of each Certificate in Lieu of Lost Government Bill of Lading (SF 1108a) will be kept as a permanent record by the office issuing the certificates.

214082 Issuance by Records Depositories. A Certificate in Lieu of Lost Government Bill of Lading (SF 1108) may be issued by qualified transportation officers assigned to Records Depositories when adequate records are available to furnish evidence that the shipments were properly authorized and delivered. (Comp. Gen. A-24222, January 8, 1952.)

a. Certification Required. The following certification must be shown in the Description of Articles column of the Certificate in Lieu of Lost Government Bill of Lading (SF 1108 and SF 1108a):

I certify that the signatures of the consignor and consignee may not now be obtained and that delivery of the property described herein was made at destination by the ..... (Name of Transportation Co.) This was verified by the undersigned from records on file at the ..... Records Center before certifying below for delivery.

b. Supporting Papers. The following supporting papers must be attached to the certificate:

(1) Carrier's original accomplished destination freight bill or delivery receipt showing route of movement and signature of person receiving the shipment, or a photostat of either document.

(2) Photostat of Memorandum Copy of Original bill of lading on which carrier's receipt of shipment has been executed.

Section XI. ALTERNATIVE DELIVERY RECEIPT PROCEDURE

214083 Alternative Delivery Receipt Procedure. *a. General.* On shipments of unaccompanied baggage, the carrier may elect to retain the Original Government bill of lading and forward a delivery receipt form along with the shipment for accomplishment by the consignee. Under this alternative procedure the delivery receipt, when properly executed by the consignee, is to be returned to the billing carrier for attachment to the Original Government bill of lading as proof of delivery.

b. Action by Shipper. Under the alternative delivery receipt procedure, the shipper will, if requested by the initial carrier, surrender the Original Government bill of lading to the carrier's agent for retention by the carrier. In these cases the space "Initial Carrier's Agent, by Signature Below Certifies He Received the Original Bill of Lading ☐ Yes" will be checked on all copies. The shipping order and two waybill copies also will be given to the carrier. The shipper (issuing officer) will retain the Property Shipped copy and will immediately send the Property Received copy to the consignee by the most expeditious means available to assure arrival with or in advance of the shipment. The Property Received copy may be given to the carrier for delivery to the consignee when this method is faster than mail service and is acceptable to the carrier. (For distribution of memorandum copies of the bill of lading to the consignee for shipments by REA Express and freight forwarders see para 21062*f*.) When utilizing this method, the documents will be placed in a suitable envelope bearing the name and address of the consignee and a statement of the contents. In addition, the envelope will be prominently marked:

IMPORTANT PAPERS
TO BE DELIVERED BY CARRIER TO CONSIGNEE WITH SHIPMENT

c. Delivery Receipt Format. Under the alternative delivery receipt procedure the delivery receipt format (fig. 214-3), in duplicate, must be used by the carrier.

d. Action by the Consignee. The consignee will execute both copies of the delivery receipt, retain the original, and return the duplicate to the billing carrier for attachment to the Original Government bill of lading as proof of delivery. The retained copy of the delivery receipt will be attached to the Property Received copy of the bill of lading.

e. Certificate in Lieu of Lost U.S. Government Bill of Lading. When it has been determined that the Original Government bill of lading has been

lost or destroyed, the shipper (issuing officer), at the request of the carrier or its agent, will surrender a Certificate in Lieu of Lost U.S. Government Bill of Lading (SF 1108) to the carrier or its agent authorized to bill for the charges. The issuing officer will file one memorandum copy (SF 1108a) and maintain a record of the issuance. The certificate must be completed in every detail to reflect all the information provided on the memorandum copy of the lost Original bill of lading or the shipping order copy which must be obtained from the initial carrier.

Section XII. STOPOFF IN TRANSIT TO COMPLETE LOADING OR TO PARTIALLY UNLOAD

214084 Stopoff to Complete Loading. *a. Preparation of Bill of Lading.* A bill of lading issued for a shipment that is to be stopped in transit to complete loading will be prepared in accordance with section IV and in addition, the following information will be shown:

(1) The space provided in the upper left portion of the bill of lading will be completed to show the stopoff point(s) and the reasons therefor.

(2) Complete instructions to the carrier regarding stops in transit, including name and address of person or installation to be notified and delivery required, will be shown in the "Description of Article" space and reference thereto will be indicated in the space specifically provided for stopoff instructions.

(3) The notation, "Loaded at (show first point of origin)," will be placed in the body of the bill of lading to precede the required lading data, which includes the weight thereof and weight of dunnage, bulkheads, etc., shown separately.

(4) When there is not enough space provided on the bill of lading for information such as Appropriation Chargeable and/or Marks, such information will be shown in the Description of Articles space, clearly correlated to the item or group of items to which applicable.

(5) The following information will be inserted near the bottom of the Description of Articles column:

(*a*) "Total freight and total dunnage, etc., loaded at (*origin point*)" (*Weight to be filled in by issuing officer at origin*).

(*b*) "Total freight and total dunnage, etc., loaded at (*stopoff point*)" (*Weight to be filled in by transportation officer at stopoff loading point*).

(*c*) "Grand total" (*Weight of all freight loaded and weight of all dunnage, etc., shown separately, to be filled in by transportation officer at last stopoff loading point*).

b. Continuation Sheets. In most instances continuation sheets will be required in order to list the items shipped and to show the necessary instructions and identifying information. When continuation sheets are used, all items listed in *a*(1), (2), and (5) above will be shown on the bill of lading proper (SF 1103).

c. Carrier's Receipt for Shipment. DO NOT USE THIS SPACE PROVIDED FOR THIS PURPOSE. The carrier's acknowledgment of freight received at origin and at each stopoff point will be shown immediately following the list of freight loaded, whether on the bill of lading proper or on the continuation sheet.

d. Notice by Issuing Officer of Consignee at Stopoff Point. On the date of shipment, the issuing officer will notify the transportation officer at each stopoff point of the impending arrival of the car or vehicle for completion of loading. This notice will be sent by the fastest means to make certain that it reaches the stopoff point before arrival of the shipment. The notice will include the following information:

(1) Car number and initials, if by rail.

(2) Truck number and carrier, if by motor.

(3) Bill of lading number.

(4) Routing.

(5) Inbound and outbound seal record.

(6) Quantity of freight, bulkheads, dunnage, or other material loaded.

e. Distribution of Bill of Lading. The issuing officer will send the following documents to the transportation officer at the first stopoff loading point by the fastest means to insure arrival in advance of the shipment.

(1) Original bill of lading.

(2) First Memorandum copy.

(3) Property Received copy.

(4) Two Memorandum copies for each stopoff point.

(5) One Memorandum copy "For Area/Field Office Commanders, MTMTS."

214085 Action by Transportation Officer at Stopoff Loading Point. *a. Bill of Lading.* Upon receipt of the shipment and Original bill of lading together with memorandum copies, the transportation officer at each stopoff loading point will complete the bill of lading, entering the notation, "loaded at (name of stopoff point)" followed by the required lading data, observing the procedures prescribed in paragraph 214084*a* with respect to weights, appropriation chargeable and marks, etc. Also, indicating information concerning inbound and outbound seal record, stating whether or not seals were intact; and any other data required. Total weight of freight, including dunnage, etc., shown separately, loaded at each stopoff loading point will be inserted on the bill of lading in the space provided by the issuing officer in the Decription of Articles column. Grand total entry or entries, on the first sheet of the bill of lading will be completed by transportation officer at final stopoff loading point.

b. Continuation Sheets. When it is necessary for the transportation officer at the stopoff loading point to prepare continuation sheets, each sheet will bear the notation, "THIS SHEET PREPARED BY _____ at
(Name of transportation officer)
_____."
(Name of stopoff loading point)
The numbers on any existing continuation sheets will be changed accordingly and each sheet so changed will be initialed by the transportation officer.

c. Disposition of Bill of Lading and Copies. The transportation officer at first stopoff loading point will keep one copy for file and give one copy to carrier's agent. If a second or third stopoff is to be made, the original bill of lading together with the remaining copies will be forwarded to the next stopoff point(s). The transportation officer at the stopoff point where loading is completed will forward the memorandum copy marked "For Area Field Office Commander, MTMTS," as provided in paragraph 214062*d*.

d. Notice. When loading has been completed, the transportation officer will notify the transportation officer at the next point to which shipment is made that the car or vehicle is being forwarded. The notice will include the following information:

(1) Car number and initials, if by rail.

(2) Truck number and carrier, if by motor.

(3) Bill of lading number.

(4) Routing.

(5) Inbound and outbound seal record, indicating whether seals intact.

(6) That stopoff was to complete loading.

(7) Quantity of freight loaded.

e. Action at Destination. The original bill of lading will be accomplished as provided in section VII. The Property Received copy will be kept for the consignee's file.

214086 Stopoff to Partially Unload. *a. Preparation of Bill of Lading.* A bill of lading issued for a shipment that is to be stopped in transit for partial unloading will be prepared in accordance with section IV, and in addition, the following information will be shown:

(1) The space provided in the upper left portion of the bill of lading will be completed to show the stopoff point(s) and the reasons therefor.

(2) Complete instruction to the carrier regarding ships stops in transit, including name and address of person or installation to be notified and delivery required will be shown in the Description or Articles column and reference thereto will be indicated in the space specifically provided for stopoff instructions.

(3) The bill of lading will clearly indicate the portion of the shipment to be unloaded at the stopoff point(s), final consignee, and destination, respectively.

(4) When Appropriation Chargeable and/or Marks spaces or portion of consignee space for various owners or receiving officers are inadequate, such information will be indicated in the Description of Articles column, clearly correlated to the applicable item or group of items.

b. Carrier's Receipt for Shipment. The certificate on the bill of lading will be executed by the carrier at origin.

c. Notice by Issuing Officer to Consignee at Stopoff Point. On the date of shipment, the issuing officer will notify the consignee, whether a military

activity or commercial contractor, at each stopoff point, of the expected arrival of the car or vehicle for partial unloading. In the case of commercial contractor consignee(s), the issuing officer will forward sufficient copies of DD Form 1371 (Consignee's Receipt for Delivery at Stopoff Unloading Point) together with appropriate instructions to permit each commercial contractor to execute and distribute this form in accordance with paragraphs 214087 and 214088, as applicable. The notice of arrival, and copies of DD Form 1371 for commercial contractors will be sent by the fastest means to make certain that it reaches the consignee before arrival of the equipment. The notice will include the following information.

(1) Car number and initials, if by rail.

(2) Truck number and carrier, if by motor.

(3) Bill of lading number.

(4) Routing.

(5) Outbound seal record.

(6) Information identifying shipment and its location in car or truck.

(7) Weight of freight, bulkheads, dunnage, etc., loaded.

d. Disposition of Bill of Lading. The issuing officer will forward the Original bill of lading together with the Property Received copy to the consignee at final destination. The first memorandum copy will be forwarded to the MTMTS area/field office commander serving the area in which the bill of lading is issued. Two memorandum copies will be forwarded to each stopoff point. For distribution of other copies, see section VI.

214087 Action by Consignee at Stopoff Unloading Point. *Upon completion of unloading at* each stopoff unloading point, the consignee, whether a military activity or commercial contractor, will prepare sufficient copies of DD Form 1371 (Consignee's Receipt for Delivery at Stopoff Unloading Point) to permit distribution as follows:

a. Original and one copy will be transmitted to consignee at final destination in the same manner as is provided for bills of lading (para 214060). This will provide continuity of seal record and serve as a notice of shipment.

b. Two copies will be transmitted to consignee(s) at next stopoff unloading point(s), if any, in the same manner as is provided for bills of lading (para 214061). This will provide continuity of seal record and serve as a notice of shipment.

c. One copy will be given to carrier if required.

Note. DD Form 1371 (fig. 214-4) will be reproduced on 8- by 10½-inch paper. Activities within the Departments of the Army and Air Force will reproduce DD Form 1371 locally. Activities within the Department of the Navy (including the Marine Corps) will procure DD Form 1371 through normal supply channels.

214088 Action by Consignee at Final Destination. *a. Accomplishment of Bill of Lading.* The consignee, whether a military activity or commercial contractor, at final destination will accomplish the Original bill of lading in the regular manner for only that part of the shipment received at final destination. The weight of bulkheads, dunnage, or similar material for the entire shipment, whether loaded at origin or at an intermediate stopoff point, will be shown by the officer accomplishing the bill of lading.

b. Surrender to Carrier. After the Original bill of lading has been accomplished, the consignee, whether a military activity or commercial contractor, at final destination will attach it to the original(s) of each DD Form 1371 received from consignee(s) at stopoff point(s), make reference on the bill of lading to such attachment(s), and surrender the document to the last line-haul carrier for billing of transportation charges. Copies of DD Form 1371 will be retained with the Property Received copies of bills of lading.

214089 Loss and Damage at Stopoff Point. *a. Broken Seals.* If seals have been broken or replaced, the carrier will be notified promptly so that it may inspect the shipment for shortage or evidence of pilferage. This notice to carrier will be confirmed in writing and a copy of the confirmation will be kept in the consignee's bill of lading file. Physical check of the inbound part of the shipment will be made only in company with carrier's agent, unless the carrier waives inspection.

b. Inspection Report. If inspection report is made by the carrier, two copies will be secured; one for the stopoff consignee's file, and one to be forwarded to the destination consignee.

c. Damage Discovered Upon Arrival at Stopoff Point. When a shipment is found to be damaged upon arrival at a stopoff point, and such damage

has not been previously reported to the carrier, the consignee will notify the carrier so that an inspection may be made.

d. Report of Inspection of Damage. If the carrier makes a report of inspection of damage, three copies should be secured: one for the consignee's file, one for the consignee at the next stopoff point, if any, and one for the destination consignee. If no report of inspection of damage is made by the carrier, the consignee will furnish information of such damage to the next consignee, whether stopoff or final destination.

e. Notations on Bill of Lading. The consignee at final destination will make the proper notation of loss or damage on the bill of lading, as required by chapter 221.

Section XIII. ALTERATIONS AND CORRECTIONS

214090 General. This section prescribes the use of DD Form 1352 (Government Bill of Lading Correction Notice) to be used for effecting alterations and corrections to Government bills of lading. Recipients of a correction notice will alter or correct the bill of lading as indicated and attach the copy of the notice thereto. Consignees should assure that services rendered by carriers are accurately described on bills of lading prior to accomplishment (para 214065*a*).

214091 Alterations or Corrections Initiated by Issuing Officer. *a. Prior to Distribution of the Bill of Lading.* Except for minor alterations or corrections (para 214099), and prior to signature by the originating carrier's representative, the original and all copies of the bill of lading will be corrected and initialed by the issuing officer or his designee.

b. After the Bill of Lading Has Been Distributed.

(1) *Action by consignor.*

(*a*) When distribution of the bill of lading has been made, and the transportation charges are affected by the alteration or correction, all copies of DD Form 1352 also will be signed by the originating carrier's representative. A legible carbon impression signature on all copies of the form except the original is acceptable. The consignee will be furnished the original and two copies of the correction notice. Other offices which were furnished a copy of the bill of lading will be furnished one copy of the correction notice.

(*b*) When the appropriation data, and or in the case of Navy shipments the Transportation Account Code (TAC), require correction, the DD Form 1352 will be prepared and one copy furnished (1) the consignee, (2) the appropriate disbursing officer, and (3) the offices of the military services receiving memorandum copies of bills of lading for accounting purposes in accordance with the requirements of paragraph 214062*c*.

(2) *Action by consignee.* The original bill of lading, when available, and the Property Received copy will be corrected as prescribed by the correction notice and annotated "AUTHORITY OF ISSUING OFFICER." This annotation will be signed by the officer who ordinarily signs the Consignee's Certificate of Delivery or his designee, and will be dated as of the date the signature is affixed. The original and one copy of the correction notice will be attached to the original bill of lading. Alterations or corrections affecting the transportation charges also will be briefly explained on the original bill of lading. When the correction notice is received after the bill of lading has been accomplished and surrendered to the carrier, the provisions of paragraph 214093 will apply.

214092 Alterations or Corrections Initiated by the Consignee. *a. Alteration or Correction To Reflect Known Facts.* When it is evident that an alteration or correction is necessary to reflect the known facts relating to a shipment, the consignee will make the necessary correction, annotate the bill of lading, "CORRECTED WITHOUT AUTHORITY OF ISSUING OFFICER" (signature and date the signature is affixed). DD Form 1352 will be prepared for each bill of lading corrected in accordance with the above, and a copy will be sent to each office having a copy of the bill of lading, and to the disbursing office shown on the bill of lading.

b. When Nature of Correction Cannot Be Determined. When it is evident that a correction is required, but the exact nature of the corrective action cannot be readily determined, the bill of lading will be accomplished for the weight re-

ceived and surrendered to the carrier (para 214065*c*). The issuing officer will be requested to furnish the information necessary to effect the correction. Upon receipt of the information, the consignee will comply with paragraph 214093.

c. Certificate of Delivery or Notation on Reverse of Bill of Lading. Alterations or corrections made in the Consignee's Certificate of Delivery or notations entered on the reverse side of the bill of lading, before the accomplished bill of lading is surrendered to the carrier, will be authorized and initialed by the officer who normally accomplishes the bill of lading, or his designee. DD Form 1352 is not required for such alterations or corrections unless special military services (para 214046*a*) ordered by the shipper and furnished by the carrier are involved. When special military services are involved, the original of the correction notice will be attached to the original bill of lading, one copy will be attached to the Property Received copy, and one copy will be sent to each office having a copy of the bill of lading.

214093 Alteration or Correction After Bill of Lading Is Accomplished and Surrendered to the Carrier. *a. Alterations or Corrections Affecting Transportation Charges.* When the transportation charges are affected by an alteration or correction, the consignee will immediately notify the carrier's local agent by electrical means that an alteration or correction is necessary. The notification will be confirmed by forwarding to the carrier's agent the original and one copy of DD Form 1352 appropriately completed. A copy will be sent to each office having a copy of the bill of lading and the disbursing office shown on the bill of lading.

b. Alterations or Corrections Not Affecting Transportation Charges. When corrections are made which do not affect the transportation charges, such as contract or purchase order data, or in the case of Navy shipments the Transportation Account Code (TAC), the issuing office, the disbursing office shown on the bill of lading, and the office of the military service receiving memorandum copies of bills of lading for accounting purposes in accordance with paragraph 214062*c* will be notified by copy of DD Form 1352. A copy of the correction notice will be attached to the Property Received copy of the bill of lading.

c. Correcting Annotations Related to Shortage or Damage. When the original bill of lading has been annotated on the reverse side to indicate a shortage or damage (para 221011*b*), the following procedure will apply:

(1) *Clearance when the shipper acknowledges responsibility.* When the shipper acknowledges responsibility for the shortage or damage, the appropriate carrier and disbursing office will be notified by copy of DD Form 1352. When a shortage is involved, a statement will be included as to whether the weight shown on the accomplished bill of lading includes the weight of the articles not shipped and, as appropriate, authorize such weight deductions as the circumstances warrant. The original and one copy of the completed DD Form 1352 will be forwarded to the carrier's agent, and a copy will be attached to the Property Received copy of the bill of lading, and one copy will be sent to the cognizant area/field office commander.

(2) *Clearance when property checked short is received later.* When a shortage notation has been made on the reverse side of a bill of lading and the property checked short is received later, the consignee will authorize the appropriate disbursing office, by copy of DD Form 1352, to cancel the shortage notice, or to make such modification as may be required when only partial delivery of the shortage material has been made. The original of the notice will be given to the carrier to whom the accomplished bill of lading was surrendered and a copy will be given to the delivering carrier, if different from the carrier to whom the bill of lading was surrendered. It is necessary under such circumstances that both carriers be notified of the reconciliation of the shortage. A copy of the notice also will be attached to the Property Received copy of the bill of lading, and a copy will be sent to the cognizant area/field office commander.

d. Corrections Changing the Disbursing Office. When only the disbursing office is changed by DD Form 1352, the carrier to whom the accomplished bill of lading was surrendered, the disbursing office shown on the original bill of lading, and the disbursing office as amended by the correction notice will be furnished a copy of the notice. A copy also will be attached to the Property Received copy of the bill of lading.

214094 Minor Alterations or Corrections. DD Form 1332 is not required for correction of typographical errors or changes in wording which neither affect the transportation charges nor change the meaning or intent of the data entered on the bill of lading. Such corrections need not be initialed.

214095 Corrections or Remarks by Persons Other Than the Issuing or Accomplishing Officer. Any correction or remark found to be necessary by anyone other than the issuing or accomplishing officer will be annotated on the reverse side of the bill of lading, and will be signed and dated by the person making the annotation. The address of the person making such annotation also will be shown.

Section XIV. EMERGENCY PROCEDURE—DOCUMENTATION FOR MOV SERVICE (Para 109012)

214096 Purpose and Scope. This section governs the use, issuance, preparation, distribution, and accomplishment of Government bills of lading used as the transportation document for shipments transported in MOV service. Procedures prescribed in this section are applicable to shipments routed in MOV service by MTMTS routing offices.

214097 Use of Government Bills of Lading for MOV Service. Government bills of lading will be issued as transportation documents for all shipments routed by MTMTS for transportation in MOV service. When routes combine over-the-road service by military-owned highway vehicles and commercial carriers, separate Government bills of lading will be prepared for each portion of the combined route. Utilization of Government bills of lading for commercial carrier portions of combined routes is governed by sections II through XII of this chapter.

214098 Issuance of Bills of Lading. Transportation officers or their designees authorized to initiate shipments will issue Government bills of lading for the transportation of shipments in MOV service. Copies of documents supporting transportation of a shipment will be attached to the "Original" bill of lading and forwarded to the consignee at time of shipment. Duplicate copies of the supporting documents and the "Property Shipped" copy of the bill of lading will be retained by the issuing office or activity (para 214101*d*).

214099 Preparation of Bills of Lading. *a. General.* The Original and all copies of bills of lading prepared for the transportation of shipments in MOV service will contain the information prescribed in this paragraph. Normally, information entries will not be required in the spaces on the Government bill of lading that are not included in these instructions.

b. Prefix Symbol and Serial Number. The prefix symbol and serial number must be shown on the Original and all copies of the bill of lading.

c. Transportation Company. The CONUS army commander (including address) designated in the MTMTS route order or export traffic release will be shown as the carrier.

d. Traffic Control Number. The route order or export traffic release number assigned by MTMTS will be shown as the traffic control number.

e. Truck Number. Identify the truck or trailer used to transport the shipment by showing the vehicle registration number in the "Truck No." space.

f. From (Shipping Point) and Name of Shipper. The point of origin and the name and designation of the actual shipper will be shown in the appropriate spaces.

g. Marks. Under the heading "Marks" will be shown any package markings significant to delivery at destination or necessary for identification of packages. When shipment is intended for a receiver other than the billed consignee, the word "FOR" will be shown followed by the name of the ultimate consignee and the ultimate destination point, coded or in-the-clear, as appropriate.

h. Consignee and Destination. The designated consignee, including the mailing address when it differs from the billed destination, and the actual point of delivery will be shown as the consignee and destination in accordance with instructions in the shipping documents or other authority for shipment.

i. Routing (Via). "MOV Service" will be shown in this space.

j. Appropriation Chargeable. The information required by paragraph 214034 will be shown in this space.

k. Number and Kind of Packages. The number of pieces, packages or containers and the kind of packages (barrels, boxes, crates, etc.) or form in which the articles are tendered for shipment will be shown in the spaces provided.

l. Description of Articles. The proper freight description in terms of the current National Motor Freight Classification will be shown for each article shipped. Annotations required by route orders, export traffic releases, this regulation, or Federal or State regulations and any special instructions affecting the transportation or handling of the material will be shown in this space.

m. Numbers on Packages. When packages are serially numbered, such numbers will be shown in the designated column.

n. Weights. Opposite each description of articles will be shown the aggregate shipping weight of the articles described. When actual shipping weights are not known, estimated weights will be used. The sum total of all weights listed will be shown and identified by the word "TOTAL."

o. Certificate of Issuing Officer. The Certificate of Issuing Officer will be signed by the transportation officer or his designee. The signature will be followed by the date and the title of the official signing the bill of lading. If the articles covered by the bill of lading are under a single shipping authority, such authority will be shown in the certification. When several lots of material under different shipping authorities are covered by one bill of lading, the shipping authorities will be shown in the "Description of Articles" space in conjunction with the appropriate articles or groups of articles.

p. Vehicle Seals and "Shipper's Count." When seals are required as provided in paragraph 213012c or a truckload shipment is to be transported to destination in a closed vehicle without interchange of lading, seals will be applied to the vehicle and the seal numbers recorded on the bill of lading. Shipments for transportation to destination in sealed vehicles will be tallied by the shipper and bills of lading annotated "SHIPPER'S COUNT."

214100 Receipt of Shipment by Carrier (CONUS Army Commander). Bills of lading prepared for the transportation of shipments in MOV service will be dated and signed by the driver of the vehicle or the convoy commander at the time the carrier (CONUS army commander) receives custody of the shipment. The signature will be followed by the signer's rank and organizational unit.

214101 Distribution of Bills of Lading. Completed sets of Government bills of lading will be distributed by the consignor as follows:

a. Original and Memorandum—Property Received Copy. The Original bill of lading and Property Received copy will be given to the driver of the vehicle or placed in a waterproof envelope and attached to the number 1 box in the shipment for delivery to the consignee.

b. Shipping Order, Freight Waybill-Original, and Freight Waybill-Carrier's Copy. The shipping order and two freight waybill copies will be given to the driver of the vehicle for use as directed by the CONUS army commander.

c. Memorandum—MTMTS Copy. The MTMTS copy or, when a memorandum copy is not identified in this manner, one legible copy stamped "MTMTS COPY" will be forwarded to the MTMTS area/field office that issued the applicable route order or export traffic release.

d. Memorandum—Property Shipped Copy. The Property Shipped copy will be retained by the shipper for record purposes.

214102 Verification of Delivery by Consignee. The Certificate of Delivery on the Original bill of lading accompanying the shipment will be dated and signed by the consignee or his authorized agent at the time of delivery. The organizational unit performing the delivery and, when lading has been interchanged in transit, the trailer registration number will be shown in the "Name of Transportation Company" space. Also, the actual point of delivery will be shown in the space provided. Exceptions, limited to overages and/or shortages, will be recorded and certified in the proper spaces on the reverse of the Original bill of lading. On shipments arriving in sealed vehicles with original seals unbroken, the word "Intact" will be shown after the applicable seal numbers and exceptions

will not be recorded on the reverse of the Original bill of lading. If the original seals are broken or have been replaced, the word "Broken" will be shown or the annotation "Original seals replaced by seal number(s) _____ en route," as appropriate. Under these circumstances, any overages or shortages will be recorded on the reverse of the bill of lading. The completed Original bill of lading will be forwarded immediately to the organizational unit that delivered the shipment.

Section XV. DOCUMENTATION PROCEDURES UNDER COMMERCIAL CARRIER STRIKE OR OTHER ABNORMAL CONDITIONS

214103 Purpose. Documentation procedures contained in this section are established to minimize the impact of commercial carrier strike or other abnormal conditions such as floods or earthquakes upon the movement of essential military freight.

214104 Responsibilities. *a. General.* When tracing action is required to locate essential cargo that has become frustrated due to commercial carrier strike or other abnormal conditions the transportation officer at the shipping or receiving installation may initiate tracing action to locate the shipment in the manner prescribed in paragraph 220011*a*. Upon location of the shipment arrangements for the onward movement will be made in accordance with procedures prescribed in *b*, *c*, or *d* below.

b. Original Shipper. The origin transportation officer may solicit the assistance of another DOD activity and take the action prescribed in (1) through (4) below or he may make his own direct arrangements for the onward movement by taking actions prescribed in *c* below.

(1) Select a DOD installation located near the point where the cargo is frustrated (preferably, but not necessarily, of the same service), furnish all appropriate information, including the appropriation chargeable for transportation, to the transportation officer of that installation and request him as the new shipper (*c* below) to arrange for the transfer, documentation and onward movement of the frustrated cargo.

(2) Request the transportation officer of the selected installation, as the new shipper to furnish him a memorandum copy of the bill of lading covering the onward movement of the frustrated cargo.

(3) Instruct the original consignee or the carrier, as appropriate, to forward the Original GBL and the Property Received copy to the DOD activity selected to arrange the onward movement.

(4) When the movement is covered by a domestic route order or an export release, promptly inform the issuing MTMTS area/field office of action taken.

c. New Shipper. As the new shipper, the transportation officer arranging the onward movement of the frustrated freight will:

(1) When the original shipper is acting as the new shipper, instruct the original consignee or the carrier, as appropriate, to return the Original GBL and the Property Received copy; observe *b*(4) above; and take the actions prescribed in (3) through (11) below.

(2) When the consignee is acting as the new shipper, observe *b*(4) above and take the actions prescribed in (3) through (9) and (11) below.

(3) When required under conditions prescribed in Chapter 202, obtain a domestic routing or an export release from the MTMTS area/field office serving his activity.

(4) Arrange for the transfer of the frustrated freight from the struck carrier to the carrier selected for the onward movement. When unable to obtain local cooperation and access to the shipment, all pertinent information will be furnished to the MTMTS area/field office serving his activity.

(5) Provide representation to check and tally the transfer of the shipment.

(6) Issue a Government bill of lading to cover the onward movement from the point where the shipment is frustrated to destination. When warranted, a commercial bill of lading may be used in accordance with the procedure in section IX above. Reference to the Original GBL will be shown on the new bill of lading which will be annotated with the words, "FRUSTRATED FREIGHT."

(7) Upon receipt, annotate the originally prepared GBL, "FRUSTRATED FREIGHT," and add reference thereon to the new GBL.

(8) Accomplish the Original GBL to the struck carrier that transported the shipment to the point of frustration.

(9) Distribute the Original and Property Received copies of the new GBL (or the receipted commercial bill of lading) and all other copies of the GBL, in accordance with the provisions of sections VI or IX, above, as appropriate.

(10) Inform consignee as to the new arrangement made for delivery of the shipment.

(11) Maintain record by appropriation, fiscal program and project to identify additional costs in overtime, travel or communications resulting from the strike.

d. Consignee. The consignee, upon location of the frustrated freight, may make his own arrangements directly with carriers for the onward movement by taking the action prescribed in *c*(2) or he may solicit the assistance of another DOD activity and take the action prescribed in *b* (1) and (4) above. If the latter action is taken, the consignee will forward the Original GBL and the Property Received copy to the activity designated as the new shipper.

e. Commander, MTMTS Area/Field Office. The Commander, MTMTS Area/Field Office serving the new shipper will upon request furnish assistance and, when appropriate, issue a new route order or an export release.

Section XVI. SHORT FORM—U.S. GOVERNMENT BILL OF LADING

214105 Purpose and Scope. This section governs the use, issuance, preparation, distribution, and accountability of the Short Form—U.S. Government Bill of Lading (fig. 214–5) (hereinafter referred to as "The Short Form—GBL") in the initiation and receipt of certain small shipments. The Short Form—GBL will be used in the procurement of freight transportation service by REA Express, bus package express, United Parcel service, freight forwarders, and air, motor, and rail carriers (para 214109).

214106 Prescribed Short Form U.S. Government Bill of Lading. *a. Basic Set of Short Forms.* The Short Form—GBL measures 8½ inches by 6 inches, excluding stub, and consists of a seven-part carbon interleaved snapout set as follows:

DD Form No.	*Description of form*	*Color of form*
1536	Original	White
1536	Shipping Order	Pink
1536–1	Consignee Copy	Yellow
1536–1	Issuing Office Copy	Yellow
1536–1	MTMTS Copy	Yellow
1536–1	Fiscal Copy	Yellow
1536–1	Memorandum Copy	Yellow

b. Memorandum Copies. Additional memorandum copies of the Short Form—GBL (DD Form 1536-1) may be prepared when required. When additional memorandum copies are added to a preassembled set, the bill of lading prefix symbols and serial numbers (para 214018) appearing on the preassembled set will be shown in the appropriate space on the added memorandum copies.

214107 Supply of Forms. The Short Form—GBL will be requisitioned in accordance with the provisions of paragraph 214005. Departmental requests for new print orders of the form will be routed through the Program Control Branch Federal Supply Service, General Services Administration, Washington, D.C., for proper bill of lading number assignment and control.

214108 Accountability for Short Form Bills of Lading. Records of the Short Form—GBL will be maintained by issuing offices in accordance with the provisions of paragraph 214011.

214109 When Short Form Bills of Lading Will Not be Used. The Short Form—GBL will not be used for shipments—

a. When a determination has been made prior to shipment that the transportation charges (including charges for accessorial services) will exceed $100.

b. Requiring a domestic route order.

c. Requiring an export traffic release.

d. Consigned for export (except for shipments moving intra CONUS to a port for transshipment and marked "FOR EXPORT").

e. Requiring continuation sheets.

f. Requiring conversions of commercial bills of lading to Government bills of lading.

g. Of explosives, classes A and B.

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h. Precluded by the provisions of paragraph 214011 regardless of the amount of the transportation charges.

i. Requiring attendants.

j. Of personal property, when essential accessorial services will require additional documentation.

k. Requiring special services, such as armed guard service, for which it cannot be accurately determined prior to shipment that the transportation charges will not exceed $100.

l. On which the transportation charges are not payable from DOD funds.

m. Of articles of extraordinary or unusual value.

n. Involving intermodal traffic, i.e., traffic handled jointly by two different types of carriers.

214110 Issuance of the Short Form Bill of Lading. *a. Persons Authorized to Issue the Short Form—GBL.* Only authorized transportation officers, acting transportation officers, or transportation agents (para 1030016) may issue the Short Form—GBL. Such authorized persons may be military personnel or civilian employees of the Government on duty at the issuing office.

b. Supporting Documents. Each shipment made on the Short Form—GBL will be supported by shipping documents authorized in paragraph 214015*b*.

214111 Preparation of the Short Form Bill of Lading. *a. General.* The issuing transportation officer or transportation agent is responsible for the accuracy and completeness of data entered on the Short Form—GBL. When more space is necessary to complete the required data in a particular space, the "Description of Articles" and the "Marks" spaces may be used for this purpose. When these spaces are used for this purpose, a cross-reference will be made to the related block.

b. Preparation. The spaces on the Short Form—GBL will be completed as follows:

(1) *Transportation Company Tendered To.* This space will be completed in accordance with the applicable provisions of paragraph 214019. Also see paragraph 214105.

(2) *Destination.* The destination of the shipment, and any required additional data will be entered in accordance with paragraph 214027.

(3) *Consignee (Name and Mailing Address.* This space will be completed in accordance with paragraph 214026.

(4) *From (Shipping Point).* This space will be completed in accordance with paragraph 214023.

(5) *Full Name of Shipper.* This space will be completed in accordance with paragraph 214024.

(6) *Transportation Control Number.* The key transportation control number (TCN) obtained as provided in paragraph 3-5 and appendixes B8 and B9 of the MILSTAMP Regulation (DOD Regulation 4500.32-R) will be entered in this space.

(7) *Marks.* This space will be completed in accordance with paragraph 214025, as applicable. Any identifying numbers appearing on containers will be entered in this space to aid in quickly identifying containers and their contents upon arrival at destination or at a transshipment point for export or onward movement within CONUS.

(8) *F.O.B. Point Named in Contract.* When a shipment is covered by a contract, purchase order, or other procurement document, the f.o.b. point of the shipment will be shown in this space.

(9) *Charges To Be Billed To.* The official designation and address of the disbursing office responsible for payment of the transportation charges will be entered in this space in accordance with paragraph 214033.

(10) *Appropriation Chargeable.* The appropriation chargeable and additional information required by paragraph 214034 will be entered in this space.

(11) *Packages (Number and Kind).* These spaces will be completed in accordance with paragraph 214035.

(12) *Description of Articles.* The description of items shown on the Short Form—GBL will be in accordance with paragraphs 214005 and 214036, as applicable. *Exceptions:*

(*a*) The TCN, consignee code, and portation priority for individual shipment units will not be required on the Short Form—GBL ((6) above).

(*b*) For United Parcel Service shipments the appropriate NMFC item number or a brief identifiable noun description for the commodity being shipped will be entered in this space.

(13) *Weights.*

(*a*) The weight of each different kind of loose piece, package, and/or container of each dif-

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rent kind of article included in a shipment will be shown in this column as provided in paragraph 214038*b*.

(*b*) When shipments are consigned to ports or other transshipment points for export, or for further movement within CONUS, the cubic measurement will be shown in this space in accordance with paragraph 214039.

(14) *For Use of Origin Carrier Only.* Leave blank.

(15) *Contract, Purchase Order, or Other Authority for Shipment.* The contract, purchase order, or voucher number, or other supporting document for making the shipment will be entered in this space (para 214015*b* and 214043*b*).

(16) *Issuing Office.* The official name of the military activity which issues the bill of lading will be entered in this space in accordance with paragraph 214043*c*.

(17) *Carrier's Agent (Signature).* The original bill of lading and, if administratively requested, not more than three memorandum copies (legible carbon impression signatures will be acceptable) will be signed by the agent of the receiving carrier (*Exception:* The signature of the carrier's agent is not required on the bill of lading for shipments tendered to the United Parcel Service.)

(18) *Date of Shipment.* The carrier's agent will enter the date he takes possession of the shipment in this space. The date must be legible on all copies of the bill of lading. (*Exception:* The shipper will enter the date when shipment is released to the United Parcel Service.)

(19) *Issuing Officer (Signature and Title).* This space will be completed in accordance with paragraph 10300*b*(2) or 214043*d*.

(20) *Date.* The issuing officer will enter the date he signs the bill of lading in this space.

214112 Valuation of Shipments. United Parcel Service, National Bus Traffic Association, and REA Express have agreed to the terms of Condition 5 on the back of the original bill of lading (fig. 214-6) thus eliminating the requirement for shippers to annotate each bill of lading with the released valuation for shipments moving on Short Form GBL's. However, for these methods of transportation, when it appears desirable to declare a valuation in excess of that which produces the lowest rate, the provisions of paragraph 214049 will apply. For other forms of transportation the provisions of paragraph 214049 will apply.

214113 Preparation When Shipments Move From Contractors or Other Authorized Commercial Shippers. When the Short Form—GBL (fig. 214-5) is utilized for shipment of material at Government expense from contractors or other authorized commercial shippers, the Short Form—GBL will be completed by the issuing officer to the maximum extent possible prior to being furnished to the shipper. This will include all data on the bill of lading except the following:

a. Marks.
b. Packages (No. and Kind).
c. Description of Articles.
d. Weights and Cubic Measurement.
e. Carrier's Agent (Signature).
f. Date of Shipment.

However, when firm information regarding blocks referred to in *a*, *b*, *c*, and *d*, above are available on the date the bill of lading is prepared, these spaces also will be completed by the issuing office in accordance with paragraph 214111. When this information is not available, shippers will be given explicit instructions regarding completion of these spaces as well as the spaces indicated by blocks referred to in *e* and *f* above (para 214060 and 214118*c*.)

214111 Distribution of the Short Form Bill of Lading. *a. When Shipments Move from Military Activities.* When shipments move from military activities the Short Form—GBL will be distributed as follows:

(1) *Original and Shipping Order (No. 2).* These copies will be given to the carrier with the shipment.

(2) *Consignee Copy (No. 3).* This copy will be transmitted by the shipper to the consignee by the fastest mail service or the most expeditious means available to assure arrival in advance of the shipment. For MILSTRIP shipments other than movements to water terminals for export, a copy of DD Form 1348-1 for each line item comprising the shipment will be attached thereto.

(3) *Issuing Office Copy (No. 4).* This copy is to be retained by the issuing office as the Property Shipped Copy.

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(4) *MTMTS Copy (No. 5).* This copy is to be forwarded to the appropriate MTMTS area/ field office as provided in paragraph 214062*d*.

(5) *Fiscal Copy (No. 6).* This copy is for accounting purposes, and will be distributed in accordance with paragraph 214062*e*.

(6) *Memorandum Copy (No. 7).* This copy may be used as appropriate by the issuing activity.

b. When Shipments Move from Contractors or Other Authorized Commercial Shippers. When shipments move from contractors or other authorized commercial shippers issuing offices will furnish, in accordance with *a* above, complete distribution instructions to contractors or other authorized commercial shippers utilizing the Short Form—GBL for shipment of material at Government expense (para 214060). Distribution will be made as provided in *a* above except that the Memorandum Copy (No. 7) will be retained by the shipper for his files.

214115 Receipt of Shipments from Commercial Carriers. *a. Checking Shipments Upon Delivery.* Upon receipt of a shipment a careful examination and count of all containers will be made, and discrepancies will be recorded in accordance with paragraphs 214116 and 214117. One copy of the carriers' delivery document, when available, will be filed with the Consignee Copy (No. 3) of the Short Form—GBL and retained in accordance with records retirement criteria prescribed by the military departments.

b. Receipting for Shipments. On receipt of a shipment, the carrier's document will be signed and dated by the consignee or a designated representative. When shipments are consigned to individuals or commercial industries outside the Government service who are not familiar with handling the Short Form—GBL, the issuing officer will provide explicit instructions to such consignees regarding the receipt of shipments from carriers.

214116 Loss, Damage, or Shrinkage in Transit. *a. General.* In case of loss, damage, or shrinkage in transit, the rules and conditions governing commercial shipments will not apply regarding the period within which notice of discrepancy will be given to carrier, nor to the period of time within which claim therefor will be made. Replies to carrier inquiries, or information volunteered regarding loss or damage will be governed by paragraph 106002*e*.

b. Apparent Loss, Damage, or Shrinkage. Any loss, damage or shrinkage that is not of a concealed nature will be annotated on the delivery carrier's document in accordance with paragraph 221010, after which the shipment will be receipted for on the carrier's document. Annotation also will be made on the reverse of the Consignee Copy Short Form—GBL (fig 214-7) in accordance with instructions and references included thereon.

c. Loss, Damage, or Shrinkage Discovered after Delivery of a Shipment. When a loss, damage, or shrinkage is discovered after delivery of a shipment, the carrier will be promptly notified of the discrepancy and given opportunity to inspect the lading (para 221007 and 221020). When the carrier assumes responsibility upon inspection of the shipment, paragraph 221008 will apply.

d. Action Required by Consignee. Under *b* and *c* above, the responsible disbursing office named on the face of the bill of lading will be notified within 20 days after receipt of the shipment or discovery of the discrepancy. The notice will contain reference to appropriate bill of lading number(s). A copy of the written notice sent to the carrier (pa 221006) may be utilized to notify the disbursing office. Included with the notice will be a copy of the carrier's loss and damage report.

e. Loss of Entire Shipment. If no part of a shipment is received at destination within 20 days from the date of shipment, the consignee will notify the appropriate disbursing office in writing immediately thereafter of nonreceipt of the shipment. A copy of this notice will be furnished to the shipper (and to the issuing office, if different) and the origin carrier. If the shipment is received after notice of nonreceipt is given, paragraph 214093*c*(2) will apply; however, since the Short Form—GBL does not require accomplishment, the original of the DD Form 1352 (Government Bill of Lading Correction Notice) will be sent to the disbursing office.

f. Required Reports. In addition to the documents required by *b*, *c*, *d*, and *e* above, SF 361 (Discrepancy in Shipment Report) will be prepared and distributed in accordance with provisions of AR 55-38/NAVSUP Pub 459/AFM 75-34/MCO P4610.19/DSAR 4500.15, and appro-

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priate service directives. DD Form 6 (Report of Packaging and Handling Deficiencies) will be prepared and distributed for reporting preservation, packaging, and handling deficiencies, as required by AR 700-58/NAVSUP Pub 378/AFR 71-4/MCO P4030.29/DSAR 4145.8.

214117 Overage Material. When material is received in excess of the quantity shown on the Short Form--GBL, a notation will be made on the reverse of the Consignee Copy (No. 3) similar to that required in case of loss or damage (para 221014*b*). SF 361 also will be prepared and distributed in accordance with AR 55-38/NAVSUP Pub 459/AFM 75-34/MCO P4610.19/DSAR 4500.15. When the overage is resolved, the carrier will be notified of the disposition made of the material.

214118 Lost or Destroyed Original Short Form Bill of Lading. *a. General.* If the original Short Form--GBL has been lost or destroyed, the origin carrier will submit a written request to the issuing office requesting that it be furnished a certified true copy of the lost original. Upon receipt of the written request, the issuing officer will prepare a copy in duplicate of the Issuing Office Copy (No. 4). Both copies will be annotated, signed, and dated by the issuing officer as follows:

"This is a certified true copy, issued in lieu of lost/destroyed original: ---------- ---------- ----."

The original certified copy will be given to the origin carrier only not sooner than 15 days after the shipment date (para 214111*b*(18)) and the remaining copy and the letter of request will be attached to the "property shipped" records.

b. Original Recovered After Issuance of the Certified True Copy. If the lost original of the Short Form--GBL is recovered after settlement has been made on the certified true copy (no sooner than 30 days after date of shipment), the recovered original will be forwarded to the appropriate disbursing office (para 214033) for transmittal to the General Accounting Office.

c. Bills of Lading Involving Contractors or Other Authorized Commercial Shippers. When the Short Form--GBL involves a shipment by a contractor or other authorized commercial shipper, instructions to the shipper (para 214113) will also include guidance in accordance with the above provisions regarding bills of lading that have been lost or destroyed.

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Standard Form No. 1103
A CAO 3000
1103-112-02

U.S. GOVERNMENT BILL OF LADING

ORIGINAL

B/L NO. C- 214018

TRANSPORTATION COMPANY

TRAFFIC CONTROL NO. 214020

TENDERED TO → 214019

STOP THIS CAR OR TRUCK AT 214084 214086

FOR

IMPORTANT
Regulations permit this original bill of lading to be surrendered to the initial carrier or sent immediately to the consignee. The shipping agency will furnish specific instructions with respect thereto.

CAR TRUCK LGTH., FT., INS.†		MARKED CAPACITY †		DATE FURNISHED †	DATE B/L ISSUED
ORDERED	FURNISHED	ORDERED	FURNISHED		
214021	214021	214021	214021	214021	214022

†FURNISH THIS INFORMATION IN CASE OF CARLOAD OR TRUCKLOAD SHIPMENTS ONLY.

CAR INITIALS AND NO. 214021 KIND 214-021

TRUCK NO.

IF EXTRA SERVICES ARE ORDERED SEE ADMINISTRATIVE DIRECTIONS NO. 2 ON REVERSE

RECEIVED BY THE TRANSPORTATION COMPANY NAMED ABOVE, SUBJECT TO CONDITIONS NAMED ON THE REVERSE HEREOF, THE PROPERTY HEREINAFTER DESCRIBED, IN APPARENT GOOD ORDER AND CONDITION (CONTENTS AND VALUE UNKNOWN), TO BE FORWARDED TO DESTINATION BY THE SAID COMPANY AND CONNECTING LINES, THERE TO BE DELIVERED IN LIKE GOOD ORDER AND CONDITION TO SAID CONSIGNEE.

FROM 214023

(SHIPPING POINT) →

FULL NAME OF SHIPPER 214024

CONSIGNEE (NAME AND MAILING ADDRESS) 214026

MARKS 214025 214058

DESTINATION 214027

VIA (ROUTE SHIPMENT ONLY WHEN SOME SUBSTANTIAL INTEREST OF THE GOVERNMENT IS SERVED THEREBY) 214028

CHARGES TO BE BILLED TO (DEPARTMENT OR ESTABLISHMENT, BUREAU OR SERVICE AND LOCATION) 214033

SEAL NOS. 214044

FOR CARRIER'S USE ONLY — WAYBILL NO. — FREIGHT BILL NO.

APPROPRIATION CHARGEABLE 214034

APPLIED BY

CONTRACTORS WILL RETURN UNUSED OR CANCELED BILLS OF LADING TO GOVERNMENT OFFICE FROM WHICH RECEIVED

PACKAGES NO.	PACKAGES KIND	DESCRIPTION OF ARTICLES (USE CARRIERS' CLASSIFICATION OR TARIFF DESCRIPTION IF POSSIBLE, OTHERWISE A CLEAR NONTECHNICAL DESCRIPTION)	NUMBERS ON PACKAGES	WEIGHTS*	FOR USE OF DESTINATION CARRIER ONLY CLASS	RATE	CHARGES DOLLARS	CHARGES CENTS
214035		SPECIMEN 214031 214036 214045 214046 214049 214051 214053 214085	214037	214038 214039				

IF THIS SHIPMENT FULLY LOADS THE CAR OR TRUCK USED, CHECK ☐ YES 214047

TARIFF OR SPECIAL RATE AUTHORITIES (C/L - T/L OR VOL. ONLY) 214048

CARRIER FURNISHED ☐ PICK UP ☐ TRAP CAR

SERVICE AT ORIGIN INITIALS OF SHIPPER'S AGENT 214029 214030

NAME OF TRANSPORTATION COMPANY → 214040

DATE OF RECEIPT OF SHIPMENT 214041

INITIAL CARRIER'S AGENT, BY SIGNATURE BELOW, CERTIFIES HE RECEIVED THE ORIGINAL BILL OF LADING ☐ YES (INDICATE BY CHECK) 214045

SIGNATURE OF AGENT 214042 PER 214042

CERTIFICATE OF ISSUING OFFICER 214043

I CERTIFY THAT THIS SHIPMENT IS MADE PURSUANT TO THE TERMS OF CONTRACT OR PURCHASE ORDER NO. 214043 DATED

OR OTHER AUTHORITY FOR SHIPMENT. F.O.B. POINT NAMED IN CONTRACT 214043

ISSUING OFFICE 214043

SIGNATURE OF ISSUING OFFICER 214043

DATE TITLE 214043

CONSIGNEE'S CERTIFICATE OF DELIVERY—CONSIGNEE MUST NOT PAY ANY CHARGES ON THIS SHIPMENT

I CERTIFY THAT I HAVE THIS DAY 214066 (DATE OF DELIVERY) RECEIVED FROM 214066 (NAME OF TRANSPORTATION COMPANY) AT 214066 (ACTUAL POINT OF DELIVERY)

THE PROPERTY DESCRIBED IN THIS BILL OF LADING IN APPARENT GOOD ORDER AND CONDITION, EXCEPT AS NOTED ON REVERSE HEREOF. CARRIER FURNISHED ☐ DELIVERY - ☐ TRAP CAR - SERVICE AT DESTINATION 214066 214066

214066 214088 (GROSS WEIGHT IN BOTH WORDS AND FIGURES) POUNDS* (SIGNATURE OF CONSIGNEE OR AUTHORIZED AGENT)

*SHOW ALSO CUBIC MEASUREMENTS FOR SHIPMENTS VIA AIR, TRUCK OR WATER CARRIER, IN CASES WHERE REQUIRED. 214039

Figure 214-1

214–50

ADMINISTRATIVE DIRECTIONS

1. Continuation sheets of the prescribed form should be used and attached hereto when the space under "Description of Articles" on the face of this bill of lading is inadequate.

2. Where accessorial or special services are ordered incident to the line-haul transportation, such as exclusive use of car or truck, expedited service, protective service, reconsignment, etc., the bill of lading shall be indorsed to show the name of the carrier upon which the request was made, and the kind and scope of the special services ordered. This indorsement may be placed on the face hereof under the "Description of Articles" or in the blocks reserved for "Marks," if space is available, or in the space provided on this page for "Special Services Ordered," and shall be signed by or for the person who ordered the services. However, if such an indorsement is impractical, the same information may be set forth in a statement bearing the number of the covering bill of lading which shall be signed by or for the person who ordered the services, and, if possible, attached to the bill of lading. If the bill of lading is not available, the original and one copy of the statement shall be surrendered to the carrier from which the services were ordered, the original for transmittal to the last line-haul carrier and presentation in connection with the bill for line-haul transportation charges.

Where accessorial or special services are shown as ordered but were not furnished, the bill of lading shall be so annotated.

REPORT OF LOSS, DAMAGE, OR SHRINKAGE

Notice is hereby given the carrier to whom this bill of lading is surrendered that the shipment was received in condition shown below and that claim is made for the value of such loss, damage, or shrinkage as indicated.

Explanation regarding loss, damage, or shrinkage to be made by consignee, who will state all the facts available concerning the nature or extent of the loss, damage, or shrinkage, and how it occurred.

The within shipment was received with the following loss, damage, or shrinkage.

Description: .....

214055b 214089

214061c 214092c

214066d(2) 214093c

214066f 214095

214067
(Note particularly Conditions 6 and 7, and Instructions 6)

Weight of such articles ..... pounds.

Invoice value or cost of repairs, $.....

I certify that the facts noted above are correct.

....
(Consignee) (Date)

By .....

Title .....

GENERAL CONDITIONS AND INSTRUCTIONS

CONDITIONS

It is mutually agreed and understood between the United States and carriers who are parties to this bill of lading that—

1. Prepayment of charges shall in no case be demanded by carrier, nor shall collection be made from consignee. On presentation of this bill of lading, properly accomplished and attached to *freight voucher prepared on the* authorized Government form, to the office indicated on the face hereof, payment will be made to the last carrier, unless otherwise specifically stipulated.

2. Unless otherwise specifically provided or otherwise stated hereon, *this bill of lading* is subject to the same rules and conditions as govern commercial shipments made on the usual forms provided therefor by the carrier.

3. Shipment made upon this bill of lading shall take no higher rate than would be charged had the shipment been made upon the uniform straight bill of lading, uniform express receipt, or other forms usually provided by carriers for commercial shipments.

4. *No charge* shall be made by any carrier for the execution and presentation of bills of lading in manner and form as provided by the instructions hereon.

5. This shipment is made at the restricted or limited valuation specified in the tariff or classification at or under which the lowest rate is available, unless otherwise indicated on the face hereof.

6. Receipt of the shipment is made subject to the "Report of Loss, Damage, or Shrinkage" noted hereon.

7. In case of loss, damage, or shrinkage in transit, the rules and conditions governing commercial shipments shall not apply as to period within which notice thereof shall be given the carriers or to period within which claim therefor shall be made or suit instituted.

8. Carrier's rights to shipping charges are not affected by facts set out in the certificate of issuing officer.

9. The nondiscrimination clauses contained in section 202 of Executive Order 11246 relative to equal employment opportunity for all persons without regard to race, creed, color, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor are incorporated herein.

INSTRUCTIONS

5 GAO 3000

1. Erasures, interlineations, or alterations in bills of lading must be authenticated and explained by the person making them.

2. Only one original bill of lading will be issued for a single *shipment.* The shipping order, Government freight waybill-original, and Government freight waybill-carrier's copy should be furnished the initial carrier. The original bill of lading and, if administratively requested, not more than 3 memorandum copies will be signed (facsimile carbon impression signatures will be accepted) by the agent of the receiving carrier, returned to the consignor, and the original promptly sent to the consignee, unless it has been surrendered to the initial carrier. The consignee, on receipt of the shipment, will sign the consignee's certificate on the original bill of lading and surrender the bill of lading to the last carrier. The original bill of lading then becomes the evidence upon which settlement for the service will be made.

3. The consignee's certificate of delivery shall be accomplished by the consignee or other duly authorized person.

4. In no case will a bill of lading be issued after the transportation has been performed, except in the conversion of a commercial bill of lading. In case the bill of lading has been lost or destroyed, the carrier shall be furnished by the consignee with a "Certificate in Lieu of Lost U.S. Government Bill of Lading" which, when consummated by acknowledgment of the certificate and waiver by transportation company, shall accompany *the bill* for services submitted by the carrier to the officer charged with the settlement of the account. Should the original bill of lading be located after settlement has been made on the certificate, it will be forwarded to the administrative office of the department concerned for transmittal to the General Accounting Office.

5. To insure prompt delivery of property, in the absence of the bill of lading, the consignee should give to the carrier a temporary receipt executed on the prescribed form, *for the property actually* delivered. After receipt of the bill of lading or when the certificate provided for above shall have been given, a statement will be indorsed on said bill of lading or certificate of the fact of the delivery as per said temporary receipt, and the said temporary receipt will be indorsed with reference to the bill of lading or certificate sufficient to identify the same, and filed among the records of the office responsible for its issuance.

6. In case of loss or damage to property while in the possession of the carrier, such loss or damage shall, when practicable, be noted on the bill of lading or certificate in lieu thereof, as the case may be, before its accomplishment. Should the loss or damage not be discovered until after the bill of lading or certificate has been accomplished, the proper officer shall be notified as soon as the loss or damage is discovered, and the agent of the carrier advised immediately of such loss or damage and extended privilege of examining shipment. The administrative agency should collect from the responsible carriers the value of property lost or the cost of repairs to property damaged in shipping. This may be accomplished by making deduction in settlement for the service or from other unpaid bills or through such other means as may be available.

7. Bills should be submitted by billing offices of carriers on voucher forms prescribed by the Comptroller General of the United States and such forms may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. A voucher when submitted for settlement shall cover charges to one office or service only and there should be furnished on such *bill* of lading *reference to tariffs or special* rate authorities relied upon in determining the charges claimed (C/L-T/L or Vol. only). Where accessorial or special services are shown as ordered but were not furnished, the bill of lading shall be so annotated. *Correspondence regarding transportation* accounts shall be addressed to the particular office or service and reference made to the serial numbers of the Government bills of lading included in the company's bill.

SPECIAL SERVICES ORDERED:

214029b

214066c(2)

214067

214092c

214093a

214095

(Note particularly Administrative Direction No. 2)

SPECIAL NOTICE

The space on this bill of lading headed "FOR USE OF DESTINATION CARRIER ONLY" must not be covered by writing or marks. It is for the sole use of the accounting officer of the destination carrier.

U.S. GOVERNMENT PRINTING OFFICE: 1967—[illegible]

Figure 214–2

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Gentlemen:

Our records show that under date of _____ a shipment under GBL No. _____ and corresponding carrier waybill/freight bill No. _____ was delivered to you containing:

Exact Description of Goods (As Shown on GBL)	No. Packages	Weight

Pursuant to U.S. Government requirements, please acknowledge receipt of this shipment by completing the duplicate copy of this letter and returning it to us, if you have in fact received said shipment.

If a shortage of or damage to the shipment was noted upon receipt, please indicate such shortage or damage in detail, in the section provided, including a statement as to the extent and value of shortage or damage, when known. This notation should be signed by you.

Very truly yours,

_____
(Name of billing carrier)

By_____
(Name and title)

TO:_____
(Name and address of billing carrier)

The property described herein was received from _____
(Carrier

at _____ under date of _____ in the exact quantity and weight shown above in apparent good order and condition, except as noted below.

_____ _____
(Signature and title of consignee) (Date)

Exceptions noted upon delivery of above shipment (if any):

_____
(Signature of consignee)

Figure 214-3

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CONSIGNEE'S RECEIPT FOR DELIVERY AT STOPOFF UNLOADING POINT					
FROM: (Consignee at Stopoff Point)		1. B/L NUMBER			
		2. STOPOFF POINT			
TO:					
3. CAR INITIALS AND NUMBER OR MOTOR CARRIER AND TRUCK NUMBER					
4. DATE RECEIVED	5. INBOUND SEAL NUMBER(S)				
6. DESCRIPTION OF ARTICLES UNLOADED	PACKAGES UNLOADED				
	No.	Kind	No. on Pkgs	Weights	
7. TOTAL WEIGHT UNLOADED (In words and figures) (The weight of bulkheads, dunnage, or similar material will not be shown. Any change in net weight of such material used inbound will be reported to final consignee.)					
8. DATE FORWARDED FROM STOPOFF POINT	9. OUTBOUND SEAL NUMBER(S)				
10. FORWARDING CARRIER					
11. REMARKS (Indicate if loss or damage is involved)					
12. THE PROPERTY DESCRIBED IN ITEM 6, WAS RECEIVED ON THE DATE INDICATED ABOVE, IN APPARENT GOOD ORDER AND CONDITION EXCEPT AS NOTED IN ITEM 11	SIGNATURE OF CONSIGNEE OR AUTHORIZED AGENT				

DD FORM 1371, 1 Feb 62

Figure 214-4

THIS IS AN ACCOUNTABLE FORM

DD FORM 1536, 1 JUL 66 REPLACES EDITION OF 1 JUL 65, WHICH MAY BE USED.
FORM APPROVED FOR USE IN LIEU OF SF 1103 ASSEMBLY BY COMPTROLLER GENERAL, U.S. 28 JAN 65

SHORT FORM – U.S. GOVERNMENT BILL OF LADING
ORIGINAL

B/L NO. 214018

TRANSPORTATION COMPANY TENDERED TO: 214019 214111b(1)	TRANSPORTATION CONTROL NO.: 214111b(6)
DESTINATION: 214027 214111b(2)	MARKS: 214025 214111b(7)
CONSIGNEE (Name and Mailing Address): 214026 214111b(3)	F.O.B. POINT NAMED IN CONTRACT: 214043b 214111b(8)
FROM (Shipping Point): 214023 214111b(4)	CHARGES TO BE BILLED TO (DEPARTMENT OR ESTABLISHMENT, BUREAU OR SERVICE AND LOCATION): 214033 214111b(9)
FULL NAME OF SHIPPER: 214024 214111b(5)	APPROPRIATION CHARGEABLE: 214034 214111b(10)

PACKAGES NO.	PACKAGES KIND	DESCRIPTION OF ARTICLES (Use Carriers' Classification or Tariff Description if Possible. Otherwise a Clear Nontechnical Description.)	WEIGHTS*	FOR USE OF ORIGIN CARRIER ONLY: CLASS	RATE	CHARGES: DOLLARS	CHARGES: CENTS
214035 214111b(11)		211005 214036 214049e 214111b(12) SPECIMEN	214038b 214039 214111b(13)		214111b(14)		

CONTRACT, PURCHASE ORDER OR OTHER AUTHORITY FOR SHIPMENT	ISSUING OFFICE
214043b 214111b(15)	214043c 214111b(16)

CARRIER'S AGENT (Signature)	DATE OF SHIPMENT	ISSUING OFFICER (Signature and Title)	DATE
214111b(17)	214111b(18)	214043d 214111b(19)	214111b(20)

*Show also cubic measurements for shipments in cases where required.

Figure 214-5

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SPECIMEN

GENERAL CONDITIONS AND INSTRUCTIONS

Received by the transportation company named on the face hereof, subject to conditions named below, the property herein described, in apparent good order and condition *(contents and value unknown)*, to be forwarded to destination by the said company and connecting lines, there to be delivered in like good order and condition to said consignee.

CONDITIONS

It is mutually agreed and understood between the United States and carriers who are parties to this bill of lading that –

1. Prepayment of charges shall in no case be demanded by carrier, nor shall collection be made from consignee. On presentation of this bill of lading, attached to freight voucher prepared on the authorized Government form, to the office indicated on the *face hereof*, payment will be made to the origin carrier, unless otherwise specifically stipulated.

2. Unless otherwise specifically provided or otherwise stated hereon, this bill of lading is subject to the same rules and conditions as govern commercial shipments made on the usual forms provided therefor by the carrier.

3. Shipment made upon this bill of lading shall take no higher rate than would be charged had the shipment been made upon the uniform, straight bill of lading, uniform express receipt, or other forms usually provided by carriers for commercial shipments.

4. No charge shall be made by any carrier for the execution and presentation of bills of lading in manner and form as provided by the instructions hereon.

5. This shipment is made at the restricted or limited valuation specified in the tariff or classification at or under which the lowest rate is available, unless otherwise indicated on the *face hereof*.

6. Shipment is made subject to report of loss, damage, or shrinkage noted on consignee copy.

7. In case of loss, damage, or shrinkage in transit, the rules and conditions governing commercial shipments shall not apply as to period within which notice thereof shall be given the carriers or to period within which claim therefor shall be made or suit instituted.

8. The nondiscrimination clauses contained in Section 202 of Executive Order 11246 relative to equal employment opportunity for all persons without regard to race, creed, color, or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor are incorporated herein.

INSTRUCTIONS

1. Erasures, interlineations, or alterations in bills of lading must be authenticated and explained by the person making them.

2. Only one original bill of lading will be issued for a single shipment. The original bill of lading and the shipping order will be surrendered to the origin carrier. The original bill of lading and, if administratively requested, not more than 3 memorandum copies will be signed *(legible carbon impression signatures will be accepted)* by the agent of the receiving carrier. Signed memorandum copies are to be returned to the consignor for proper distribution. The consignee, on receipt of the shipment, will sign the delivering carriers documents and, if available, retain one copy as supporting evidence of receipt.

3. In no case will a bill of lading be issued after the transportation has been performed. In case the bill of lading has been lost or destroyed, the originating carrier shall be furnished by the consignor with a certified true copy of the lost original, not sooner than 15 days from date of shipment, which shall accompany the bill for services submitted by the carrier to the officer charged with the settlement of the account. Should the original bill of lading be located after settlement has been made on the certified copy, it will be forwarded to the administrative office of the department concerned for transmittal to the General Accounting Office.

4. In case of loss or damage to property while in the possession of the carrier, such loss or damage shall be noted on the delivering carrier's documents and also on the reverse side of the consignee's copy of the bill of lading. Should the loss or damage not be discovered until after settlement of the account, the proper officer shall be notified as soon as the loss or damage is discovered, and the agent of the carrier advised immediately of such loss or damage and extended privilege of examining shipment. In either case a copy of the carrier's loss or damage report will be forwarded by the consignee to the administrative agency responsible for settlement of the account within 20 days of receipt of the shipment or discovery of damage. In case of nondelivery or rejection of an entire shipment, the consignee will file a written report with the administrative agency within 20 days after date of shipment. The administrative agency should collect from the responsible carriers the value of property lost or the cost of repairs to property damaged in shipping. This may be accomplished by making deduction in settlement for the service or from other unpaid bills or through such other means as may be available.

5. Bills should be presented by billing offices of carriers, not sooner than 30 days from the date of shipment, on voucher forms prescribed by the Comptroller General of the United States and such forms may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402. A voucher when submitted for settlement shall cover charges for one office or service only. Correspondence regarding transportation accounts shall be addressed to the particular office or service and reference made to the serial numbers of the Government bills of lading included in the company's bill.

(Reverse of Original and Shipping Order Copy - Short Form - GBL)

Figure 214-6

214-54

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SPECIMEN

RECORD OF LOSS, DAMAGE, OR SHRINKAGE

The shipment was received in condition shown below:

Description: 214066d(2)

214066f

214093c

214095

214115

214116

214117

(Also note Conditions 6 and 7, and Instructions 4 on the reverse of the Original or Shipping Order - Fig 214-6)

Weight of such articles _____ pounds.

Invoice value or cost of repairs $ _____

By: _____

Title: _____

Date: _____

(Reverse of Consignee Copy - Short Form - GBL)

INSTRUCTIONS

In case of loss or damage to property while in the possession of the carrier, such loss or damage shall be noted by the consignee opposite hereof and also on the delivering carrier's documents as prescribed by regulations for the Standard U. S. Government bill of lading. Should the loss or damage not be discovered until after settlement of carriers account, the proper officer shall be notified as soon as the loss or damage is discovered, and the agent of the carrier advised immediately of such loss or damage and extended privilege of examining shipment. In either case a copy of the carrier's loss or damage report will be forwarded by the consignee to the administrative agency responsible for settlement of the account within 20 days of receipt of the shipment or discovery of damage. In case of non-delivery or rejection of an entire shipment, the consignee will file a written report with the administrative agency within 20 days after date of shipment.

NOTICE

These instructions are to be strictly complied with to prevent unlawful payment of public moneys in advance of the rendering of service or delivery of property by transportation company.

Figure 214-7

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★CHAPTER 227 (Added)

FURNISHING TRAFFIC MANAGEMENT SUPPORT TO CONTRACTING OFFICERS

227001 General. Procuring Contracting Officers (PCO) are required by Section XIX of the Armed Services Procurement Regulation (ASPR), to obtain traffic management advice, assistance, and transportation factors required for solicitations and awards, and the administration, modification, and termination of contracts, including the movement of Government-owned property to, from, and between contractor/vendor plants. Additionally, the ASPR requires the PCO to obtain this assistance and data from the transportation office of the purchasing activity, unless another military activity has been designated as responsible for furnishing such assistance or data.

227002 Traffic Management Advice. Transportation officers will provide or assure the provision of traffic management advice to officials responsible for making decisions pertaining to procurement and distribution actions. As necessary, the transportation officer will obtain technical traffic management advice from MTMC, (19-102, ASPR). It is essential that liaison be established between the PCO and the transportation officer in order to produce the best possible contractual instrument clearly defining the responsibilities of the contractor and the Government.

227003 Procurement Cycle. The procurement cycle can be separated into five distinct phases, each of which contains transportation and traffic management factors. It is imperative that transportation officers review all procurement contracts when transportation costs are a factor. The five phases of the procurement cycle are described below:

a. Purchase Requests (PR)/Military Interdepartmental Purchase Requests (MIPR). The PR/MIPR contains, in part, what is to be procured, when the supplies are needed, and the appropriation to be used for the procurement of supplies. The transportation officer will develop those transportation factors stated in paragraph 227005 which should be considered. This action provides an early base upon which transportation methodology for the remainder of the procurement cycle phases will be established.

b. IFB/RFP Writing and Solicitation. When the PCO has determined the method of procurement (Invitation for Bid (IFB), also known as formal advertising; or Request for Proposal (RFP), also known as procurement by negotiation), the transportation officer will select and recommend the appropriate transportation clauses for inclusion in the IFB or RFP. The transportation office assisting the PCO can select from a wide range of ASPR clauses which are adaptable to most procurement situations. Care must be exercised in the selection of ASPR clauses so that the responsibilities of both the contractor and the Government are explicitly established in the resultant contract. Failure to place the most favorable transportation terms in the contract may seriously hinder the proper administration of the contract and quality control of the contractor. After selection, the clauses will be furnished to the PCO, with a recommendation for inclusion in the IFB or RFP, as appropriate.

c. Evaluation, Negotiation, and Award. When the bids or proposals are opened, the PCO begins his evaluation. The PCO may furnish basic information to the transportation officer on DD Form 1654, "Evaluation of Transportation Cost Factors," for the development of these factors used by the contracting officer in his evaluation of the bids or proposals. The trans

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portation factors contained in the bids or proposals must be accurately and thoroughly evaluated by the transportation officer. Only those freight rates and charges furnished by MTMC (para 102012 and chap. 222) will be used. During the evaluation process, potential tradeoffs may be identified which require the transportation officer to furnish additional advice to the PCO. When potential tradeoffs are identified, the transportation officer must exercise sound judgment in furnishing advice to the PCO to ensure that the option selected is the most advantageous to the Government.

d. Contract Administration. The purchasing officer, except when it retains the administration of the contract, designates the name and address of the office designated to administer the contract. Normally, contract administration will be assigned to a Defense Contract Administration Services Region, Air Force Plant Representative Office or Navy Plant Representative Office. The transportation officer of the designated contract administration office will have access to or acquire a copy of the contract, including modifications thereto or data used in the evaluation of the bid or proposal. This will assure that instructions to contractors result in the most efficient and economical use of carrier services and equipment.

e. Contract Modification. When a contract must be modified, the transportation factors should be reevaluated by the transportation officer for modification, as appropriate.

f. Contract Termination. If transportation is an item of dispute in contract termination, the transportation officer may be called upon to assist the Termination Contracting Officer (TCO). Frequently, the movement of Government-owned industrial equipment or residual assets (belonging to the Government) becomes an issue in contract termination and requires participation of the supporting transportation officer.

227004 Types of Contracts. There are various types of contracts that may be utilized such as firm fixed price, fixed price incentive, cost plus incentive fee, cost plus fixed fee, etc., including a combination of cost and performance incentive contracts. The type of contract often dictates the transportation clauses to be used. While the final selection of clauses is the responsibility of the PCO, the transportation officer must be conversant with the types of contracts and applicable clauses in order to be responsive to the requirements of the PCO.

227005 Transportation Factors. The identification and furnishing of transportation factors is the responsibility of the transportation officer. Transportation factors are present in the vast majority of procurement actions and involve many things not purely transportation in nature. For example, the production schedule may determine the size of the shipment and the frequency of movement. After an analysis of the schedule, the transportation officer may recommend a change that will produce full carloads or truckloads that will be shipped at reduced freight rates as opposed to the old schedule. The following list provides an indication of some of the transportation factors that may be present in a variety of procurement actions:

a. Is the destination known?

b. Value of the item.

c. CONUS or oversea destination.

d. Susceptibility to pilferage.

e. Inspection and acceptance point.

f. Will there be storage in transit?

g. Size and weight of the item—transportability.

h. Method of packaging.

i. How shipped—set up, knocked down, on skids, etc.

j. If destination known, what are the transportation facilities?

k. Delivery date to storage or user.

l. Mode(s) of transport and origin.

m. Contractor consolidation for CL or TL.

n. Tariff minimums for CL or TL.

o. Commodity description of the item.

p. Should there be a transportation evaluation?

q. Contractor's transportation facilities.

r. Accessorial charges—who pays?

s. Type of contract—FP, FPIF, etc.

t. Method of contracting—IFB or RFP.

u. Should dual bids be requested—FOB origin and FOB destination?

v. Minimum MILSTAMP requirements.

w. Production schedule and shipment unit relationship.

x. Volume movements and special rates. (Section 22 rates.)

y. If oversea destinations, preference to US flag vessels.

z. Proof of delivery by contractor to carrier.

aa. Who will be the cognizant transportation officer?

ab. Are the transportation clauses legal?

ac. Where or when will title pass?

ad. Are there any loopholes wherein the contractor may gain a windfall?

ae. Are the best interests of the Government protected?

af. Are specialized containers envisioned?

ag. Transportability implications.

227006 Transportation Provisions and Clauses. The transportation data to support procurement actions are prepared jointly by the PCO and the transportation officer through use of DD Form 1653. "Transportation Data for IFBs and RFPs." The items listed in figure 227-1 are found on DD Form 1653 and are related to Section XIX of the ASPR and alined with clauses in Sections II and VII of the ASPR.

227007 Shipping and Marking Instructions. The transportation officer will provide the PCO with shipping and marking requirements applicable to the procurement action. These shipping and marking requirements can be preprinted locally to conform with those conditions applicable to local procuring and buying actions.

227008 Shipping Assistance. The transportation personnel of the buying activity will furnish the transportation activity supporting the Contract Administration Office with technical guidance and direction as necessary for high-value, classified, dangerous/hazardous, over-dimensional, fragile electronic equipment/gear and other items requiring specialized handling. This is to ensure that shipments requiring sensitive handling and specific modes of transportation are in compliance with regulatory requirements, and meet the needs of the buying activity.

ASPR subject	*ASPR Section XIX*	*Clauses Sections II & VII*
Guaranteed maximum shipping weights and dimensions	19-210	2-201(a) SEC B (x) 7-2003.16
Freight Classifications Description	19-202(b)	2-201(a) SEC B (xi) 7-2003.17
Transit privilege	19-206(b)	2-201(a) SEC B (xii) 7-2003.18
F.O.B. Origin (with differentials)	19-208.2(b)	2-201(a) SEC B (xiii) 7-2003.19
Bid Evaluation—F.O.B. Origin	19-208.2(a) and (c)	2-201(a) and (c) SEC D (vi) 7-104.70; 7-104.85; 7-2003.23(d)
Evaluation of Export bids or proposals	19-213.1(d)	2-201(a) SEC B (xiv) 7-2003.20
Destination unknown	19-208.4(a) and (b)	2-201(a) SEC D (vii) 7-104.70; 7-104.72; 7-2003.24(a); 7-2003.70
F.O.B. Origin—Carload and Truckload Shipments	19-209	2-201(a) SEC D (viii) 7-2003.24(b)
Shipping Points used on evaluation of F.O.B. Origin	19-212	2-201(a) SEC D (ix) 7-2003.24(c)
Marking Shipments	19-204/1-1204(d)	7-104.68
F.O.B. Point for Delivery of Government Furnished Property	19-205	7-104.69
F.O.B. Origin	19-208.2(a)	7-104.70; 7-104.85
F.O.B. Destination	19-208.3(a)	7-104.71; 7-104.76
F.O.B. Origin—Minimum size of shipments	19-208.4(b)	7-104.72
Loading, Bracing, and Blocking of Freight Cars	19-211(a)	7-104.73
Shipments to Ports/Export Release and MILSTAMP Documentation	19-213.2	7-104.74
Diversion of Shipments on F.O.B. Destination Contracts	19-215	7-104.75
F.O.B. Destination-Evidence of Shipment	19-208.3	7-104.76

Where additional transportation guidance and instructions are required in connection with an ASPR clause, the subject matter will be entered in the remarks block of DD Form 1653. (Example: Specify the conditions by which Government bills of ladings will be used, MILSTAMP requirements, etc.)

Figure 227-1.

SECTION XIX—TRANSPORTATION

TABLE OF CONTENTS

Paragraph		Page
19-000	Scope of Section	19:1
	Part 1—Introduction	
19-100	General	19:2
19-101	Military Standard Transportation and Movement Procedures (MILSTAMP)	19:2
19-101.1	General	19:2
19-101.2	Responsibilities	19:2
19-102	Sources of Transportation Assistance	19:2
19-103	Responsibilities of the Contracting Officer	19:3
19-104	FOB Point	19:3
19-104.1	General	19:3
19-104.2	Determination of FOB Terms of Procurement of Items Originating in the Continental United States	19:3
	Part 2—Planning and Solicitation	
19-200	Scope of Part	19:6
19-201	Quantity Analysis	19:6
19-202	Commodity Description—Freight Classification	19:6
19-203	Packaging, Packing, Preservation and Marking Requirements	19:6
19-204	Consignment and Marking Instructions	19:7
19-205	Delivery of Government-Furnished Property	19:8
19-206	Transit Arrangements	19:8
19-207	Mode of Transportation	19:9
19-208	Solicitation Provisions Covering FOB Point	19:9
19-208.1	General	19:9
19-208.2	FOB Origin	19:10
19-208.3	FOB Destination	19:11
19-208.4	Destination Unknown	19:11
19-209	Required Shipping Weights	19:11
19-210	Guaranteed Shipping Weights and Dimensions	19:11
19-211	Transportation Responsibilities of Contractors	19:11
19-212	Shipping Point(s) Used in Evaluation of FOB Origin Bids	19:12
19-213	Shipments to Ports	19:12
19-213.1	Solicitation/Contract Provisions	19:12
19-213.2	Military Standard Transportation Movement Procedures (MILSTAMP) Documentation and Export Releases	19:13
19-214	Place of Delivery for Shipments Originating Outside the United States	19:13
19-215	Diversions Affecting FOB Destination Transportation Costs	19:13

Paragraph		Page
19-216	Scheduling of Deliveries To Permit Consolidation of Shipments	19:13
19-217	Special Freight Rates for Transportation of Supplies	19:13
19-217.1	Applicability of Section 22 Rates	19:14

Part 3—Evaluation of Bids and Proposals

19-301	Transportation Rates and Related Costs To Be Used	19:15
19-301.1	General	19:15
19-301.2	Sources of Transportation Rates and Related Costs	19:15

Part 4—Contract Administration

19-401	Traffic Management for Contract Administration	19:17
19-402	Volume Movements Within the Continental United States	19:17
19-403	Shipping Documents Covering FOB Origin Shipments	19:18
19-403.1	Government Bills of Lading	19:18
19-403.2	Use of Prepaid Commercial Bills of Lading	19:18
19-403.3	Shipments by Parcel Post or Other Classes of Mail	19:19
19-404	Routing, Tracing, and Expediting Shipments	19:20
19-405	Demurrage and Detention Charges	19:20
19-406	Discrepancies Incident to Shipment of Supplies	19:21
19-407	Report of Shipment (REPSHIP)	19:21

SECTION XIX

TRANSPORTATION

19–000 Scope of Section. This Section prescribes policies and procedures for the application of transportation and traffic management considerations in the procurement of supplies. In general, the terms and conditions contained in this Section are applicable to fixed-price contracts; however, if a special requirement exists for application of any of these terms and conditions to other types of contracts (*e.g.*, cost-reimbursement type contracts) for which transportation arrangements are normally the responsibility of the contractor and transportation costs are allowable (see 15–205.45), the terms and conditions herein shall be used as a guide for both contract coverage of transportation and contracting officer instructions to the contractor to minimize the ultimate transportation costs to the Government. In this Section "Continental United States" or "CONUS" means the 48 contiguous states and the District of Columbia. The term "United States" is used as defined in 1–201.20.

TRANSPORTATION

Part 1—Introduction

19–100 General. Transportation and traffic management factors are important in awarding and administering contracts to assure that procurements are made on the basis most advantageous to the Government, all factors considered, and that supplies arrive on time, at the required place, in good condition. The requiring activity shall consider all transportation factors before submitting a purchase request and shall provide the purchasing office with complete information and instructions so that the contracting officer is made aware of and can evaluate all applicable traffic management factors. The requiring activity must consider, to the extent known or ascertainable, present and future requirements, positioning of supplies, and subsequent distribution; the information provided the purchasing office should reflect clearly only the pertinent transportation factors applicable to the particular procurement.

19–101 Military Standard Transportation and Movement Procedures (MILSTAMP).

19–101.1 *General.* The DoD Regulation 4500.32–R (MILSTAMP) establishes uniform procedures and documents for the generation, documentation, communication and use of transportation information, thus providing the capability for control of shipments moving in the Department of Defense transportation system. The procedures established by the MILSTAMP Regulation are mandatory upon all agencies shipping material or arranging for the procurement and shipment of supplies by Government contractors, through the use of military controlled transport, or through military transshipment facilities as defined in that Regulation.

19–101.2 *Responsibilities.* Procuring activities are responsible for assuring that the requirements of the MILSTAMP Regulation are included in appropriate contracts for all applicable shipments and for enforcing such requirements with regard to shipments under their cognizance. This includes requirements relating to documentation, marking, advance notification of shipment dates, and terminal clearances. MILSTAMP has been implemented on a world-wide basis. Specific responsibilities are assigned in that Regulation to contract administration offices listed in the DoD Directory of Contract Administration Services Components, DoD 4105.59–H, for movement control and documentation with respect to shipments from contractors (and subcontractors) which are to move via the Department of Defense transportation system. Contractual documents shall therefore designate the contract administration office having cognizance of the contractor (see DoD 4105.59–H), as the contact point to which the contractor will provide necessary information to effect MILSTAMP documentation and movement control including air or water terminal shipment clearances and to obtain data necessary for shipment marking and freight routing. Contractual documents shall specify that the contractor shall not ship directly to a military air or water port terminal without authorization from the designated contract administration office.

19–102 Sources of Transportation Assistance. Traffic management advice and assistance and all necessary transportation factors, such as freight rates, transportation costs, transit arrangements, time in transit, port capabilities, and other related information required up to the time of award for the solicitation and award,

shall be obtained from the transportation office of the purchasing activity, unless another military activity has been designated as responsible for furnishing such assistance, guidance, or data (see 16–820).

19–103 Responsibilities of the Contracting Officer. The contracting officer shall obtain traffic management advice, assistance, and transportation factors required for solicitations and awards, and the administration, modification, and termination of contracts, including the movement of property by the Government to and from contractors' plants. This is especially important before making an initial procurement of unusually large, heavy, high, wide, or long supplies, or those with sensitive or dangerous characteristics, or commodities lending themselves to containerized movements from the source. Additional costs arising from factors such as the use of special equipment, excess blocking and bracing material, circuitous routing, etc., incident to shipment of such supplies shall also be considered, in conjunction with the freight rate, in determining total transportation costs. See 19–217 for special freight rates for transportation of supplies.

19–104 FOB Point. See 19–208 for solicitation provisions.

19–104.1 *General.*

(a) Transportation of supplies from sources within the continental United States shall be in accordance with the policies stated in this paragraph 19–104, except where identifiable costs, established trade practices, nature of the supplies (security, safety or value), delivery requirements (premium modes of transport, escorts, transit arrangements, and tentative conditions), or other advantages, limitations, or requirements dictate otherwise.

(b) Justification for the solicitation of bids or proposals other than on the f.o.b. basis prescribed in this paragraph 19–104 shall be documented in the contract file (see 1–308).

(c) The place of performance of Government procurement quality assurance actions and place of acceptance shall not control the transportation term, except that where acceptance is at destination, transportation shall be f.o.b. destination (see 19–104.2(d)(2). The fact that transportation is to be f.o.b. destination does not alone necessitate changing the place of acceptance from origin to destination; and the fact that acceptance is at origin does not necessitate an f.o.b. origin transportation term. Providing for inspection and acceptance at origin (when appropriate under Section XIV), in conjunction with an f.o.b. destination transportation term, may be advantageous to both the Government and the contractor. Acceptance of title at origin by the Government permits payment of the contractor, *provided* his invoice is supported either by a copy of the signed commercial bill of lading (indicating the carrier's receipt of the supplies covered by the invoice for transportation to the particular destination specified in the contract) or by other appropriate evidence of shipment to the particular destination for the contractor's account. See 14–306(a).

19–104.2 *Determination of FOB Terms of Procurement of Items Originating in the Continental United States.*

(a) Determination of f.o.b. terms will be made generally on the basis of overall costs, with due consideration of the criteria specified in (c) and (d) below.

(b) Solicitations shall specify whether offerors must submit offers on (i) or (ii) below or both, or may allow offerors to choose the basis on which they will

make an offer. (See 19-208.) Procurement shall be on the basis of whichever of the following is more advantageous to the Government:

(i) f.o.b. carrier's equipment, wharf, or freight station (at the Government's option) at a specified city or shipping point at or near contractor's plant (f.o.b. origin); or

(ii) f.o.b. destination. (When the supplies are destined for ultimate delivery overseas, the destination shall be a CONUS port area or temporary storage or holding area (see 19-213).)

(c) (1) In determining whether f.o.b. origin or destination is more advantageous to the Government, consideration should be given to the fact that economies in transportation within the United States are often available when contracts are awarded on an f.o.b. origin basis due to lower freight rates available to the Government. F.o.b. origin contracts also present other traffic management features, in that they:

(i) permit utilization of transit privileges (see 19-206);

(ii) are suitable when destinations are tentative or unknown in which case the solicitation shall be f.o.b. origin only (see 19-208.4);

(iii) permit diversions to new destinations without price adjustment for transportation (see 19-215);

(iv) facilitate use of special routings or types of equipment (see 19-207);

(v) facilitate, when necessary, use of premium cost transportation and permit Government controlled transportation;

(vi) make possible negotiation for reduced freight rates (see 19-402); and

(vii) permit utilization of the small shipment consolidation stations when this method is advantageous to the Government.

(2) Generally, procurements with a security classification of confidential or higher shall be purchased f.o.b. origin when the size, bulk, or quantity to be transported will require the employment of commercial transportation services. When required, routing instructions, as well as advice and assistance relative to the particular mode of transportation to be employed, shall be obtained from the appropriate Area Command of the Military Traffic Management Command.

(d) (1) On the other hand, f.o.b. destination is more advantageous under certain circumstances. The following are examples of situations when f.o.b. destination is normally more advantageous and the solicitation shall normally be on an f.o.b. destination only basis (see 19-208.3):

(i) when supplies are priced the same for delivery throughout the continental United States (nationally priced) or a specified region (regionally priced), regardless of the point at which the Government accepts delivery;

(ii) in the case of bulk supplies, such as coal, which require other than Government-owned or operated handling, storage, and loading facilities, and shipment is destined outside the continental United States;

(iii) when the supplies consist of steel, or other bulk construction products, for shipment destined outside the continental United States;

(iv) when the supplies consist of forest products, such as lumber;

(v) when the supplies consist of perishable subsistence or medical supplies subject to in-transit deterioration; and

(vi) when evaluation of offers on an f.o.b. origin basis is anticipated to result in increased administrative lead time or administrative costs which outweigh the potential advantages of an f.o.b. origin determination.

(2) When acceptance must be at destination, the solicitation shall be on an f.o.b. destination only basis.

TRANSPORTATION

Part 2—Planning and Solicitation

19-200 Scope of Part. This Part covers the period from receipt of the purchase request to the issuance of the solicitation.

19-201 Quantity Analysis. To the extent feasible, the requiring activity shall schedule its requirements to take full advantage of the savings in transportation costs to be realized from the purchase of carload or truckload quantities.

19-202 Commodity Description—Freight Classification.

(a) Generally, the freight rate for supplies is based upon the rating applicable to the freight classification description published in tariffs filed with Federal and State regulatory bodies. Therefore, a complete description of the commodity to be procured and of required packing and packaging is necessary to determine proper transportation charges for the evaluation of f.o.b. origin bids or proposals for shipments moving under Government bills of lading. When supplies cannot be properly classified through reference to freight classification tariffs or when doubt exists, the applicable freight classification shall be secured from the appropriate area headquarters of the Military Traffic Management Command through the transportation office supporting the purchasing office.

(b) When the item being procured is known to be new to the supply system, nonstandard, or a modification of previously shipped items such that a different freight classification may apply (*e.g.*, contain different materials, ingredients, changed weight, cube, configuration, etc.), the "*Freight Classification Description*" provision in 7-2003.17 shall be included in a solicitation which will or which may result in an f.o.b. origin contract, since prospective contractors may have established an official freight classification description which can be applied to it and which may result in lower transportation costs to the Government.

(c) Explosives and other dangerous supplies must be adequately described in the solicitation for both safety and transportation purposes. The description shall show the Department of Transportation shipping name and classification (see Title 49, Code of Federal Regulations, Parts 170–189), the freight classification, military explosive class, and other data necessary for proper identification of the material.

(d) In f.o.b. origin contracts when transportation costs have been considered in the offer/evaluation process, the PCO shall furnish the freight classification information developed in accordance with (a), (b) and (c) above to the CAO. (See AR 55-355/NAVSUP 444 (REV)/AFM 75-2/MCO P4600. 14A/DSAR 4500.3.) This information will be in the format shown below.

NOTICE TO TRANSPORTATION OFFICER OF THE CAO

The commodity descriptions used in the evaluation of freight costs for this award are:
(*List applicable commodity descriptions for each contract line item.*)

Examples:

CLIN 1. *Motor* —Electrical Instruments, NOI, NMFC 61700
Rail —Electrical Instruments, NOIBN, UFC 34580
CLIN 2. *Motor* —Aircraft Wings, NMFC 11760
Rail —Aircraft Wings, UFC 4705

19-203 Packaging, Packing, Preservation and Marking Requirements. See 1-1204.

TRANSPORTATION

19–204 Consignment and Marking Instructions.

(a) (1) Complete consignment and marking instructions, to the extent that they are known at the time the contract is awarded, shall be included in contracts to assist in insuring that supplies will be delivered to proper destinations without delay (see 16–821). When complete consignment information is not initially known, additional instructions or amendments thereto shall be furnished by the procuring contracting officer as soon as such information becomes known, using Standard Form 30. Consignment instructions shall include, as a minimum, the clear text and coded MILSTRIP data as follows:

(i) Department of Defense Activity Address Directory (DODAAD), Military Assistance Program Address Directory (MAPAD) code (MAPAC and TAC) in accordance with DoD 5105.38–D or H8–1 / H8–2 code of consignee and clear text identification of consignee and destination;

(ii) project code, when applicable;

(iii) transportation priority (TP);

(iv) required delivery date (RDD); and

(v) coded MILSTRIP document number, demand/suffix code, a supplementary address and signal code.

Non-MILSTRIP shipments shall include data similar to (i) through (iv) above, and the applicable portion of (v) above, together with the notation "Non-MILSTRIP."

(2) In addition to the data requirements of (i) through (v) of (1) above, amended shipping instructions shall include the following when appropriate:

(i) name of the activity originally designated, from which the stated quantities are to be deducted; and

(ii) any other features of the amended instructions not contained in the basic contract.

(b)(1) When necessary to meet required delivery schedules, instructions may be issued by telephone, teletype or telegram *provided* that such instructions shall be confirmed by a Standard Form 30 for each contract. For contracts assigned for any contract administration function listed in 1–406 to any office listed in DoD 4105.59–H, DoD Directory of Contract Administration Services Components, such instructions shall include the modification serial number and, if a new line item is created by the issuance of shipping instructions, the new line item number and the existing line item number if affected.

(2) Confirming delivery instructions shall be stamped or marked "CONFIRMATION" in block letters and shall specify in detail those instructions being confirmed.

(3) Confirming delivery instructions shall contain no changes to the instructions being confirmed. The confirming Standard Form 30 shall be processed as follows:

(*a*) for contracts assigned for any contract administration function listed in 1–406 to any office listed in DoD 4105.59–H—within five working days;

(*b*) other contracts—

(i) Telephone—within five working days; and

(ii) Teletype or telegram—consolidate on a monthly basis.

(c) Marking instructions shall conform to the provisions of the current issue of MIL-STD–129 (Military Standard Marking for Shipment and Storage).

(d) For diversions of petroleum, oil and lubricant (POL) products overseas to new destinations, instructions issued by an office other than that issuing the contract or delivery order and issued by telephone, teletype or telegram are exempted from the requirement in (b)(1) above to include the modification serial number and the new line item number in such instructions and from the time requirements in (b)(3) above for issuing of the confirming Standard Form 30. Each confirming Standard Form 30 shall be issued within 30 days of the instructions being confirmed.

19-205 Delivery of Government-Furnished Property. See 7-104.69. When Government property is to be furnished under a contract and transportation costs will be a factor in the evaluation of bids or proposals, the solicitation should include a clear description of the property involved and its location, if known. When the property is explosive or otherwise dangerous, it should also be described according to the regular freight classification and the applicable shipping name and classification given in the Interstate Commerce Commission Regulations. Other data should be furnished if pertinent to inform prospective contractors of all transportation factors necessary for intelligent preparation of estimates.

19-206 Transit Arrangements.

(a) Transit arrangements permit the stopping of a carload or truckload shipment at a specific intermediate point en route to the final destination in order to store, process or fabricate, or accomplish other purposes, as specified in carrier's tariffs or rate tenders. A single through rate is charged from origin to final destination, plus a transit or other related charge, if applicable, in lieu of a combination of rates to and from the transit point which would result in higher costs. Consideration shall be given to possible benefits to the Government through the use of such transit arrangements. Since f.o.b. destination bidders or offerors can quote only fixed overall delivered prices to the Government at first destination, solicitations incorporating transit arrangements shall be restricted to f.o.b. origin bids or proposals (see 19-104.2(c)(1)(i) and 19-208.2). Traffic management personnel shall furnish necessary information and analyses of situations in which transit arrangements may be beneficial. When transit arrangements will apply, an appropriate provision shall be incorporated in the solicitation and become a factor in the evaluation of bids or proposals. The Government's first and ultimate destination(s) shall both be set forth in the solicitation so that bidders (offerors) will know the evaluation factors. The quantity to be awarded must be of sufficient tonnage to assure that carload shipments can be made by the contractor, and there should be reasonable certainty that shipments out of the transit point will be requisitioned in carload/truckload quantities (transit privileges for truck movement are rare). When a requirement exists for transit arrangements within the continental United States, the solicitation shall include the "*Transit Arrangements*" provision in 7-2003.23(c).

(b) When only f.o.b. origin bids (offers) (see 19-104.2 and 19-208) are to be solicited for appropriate quantities of supplies of the type which normally vendors have in process or storage, bidders (offerors) should be permitted to offer their earned (recorded with a carrier) commercial transit credits which are available and can be transferred to the Government during the scheduled delivery

period. A transit credit represents the transportation cost for a recorded tonnage from an initial shipping point to an intermediate destination (*e.g.*, bidder's plant or shipping point) for storage, processing or other purpose. Upon reshipment to the Government destination, the remaining freight cost between the contractor's initial point and the destination points in the schedule may be lower than the cost of treating the tonnage as a new shipment. Actual lower costs which can be realized by the Government through utilization of such transit credits shall be used in bid evaluation. Even though there may be Government acceptance at origin, shipments to which transit credits apply will be required to be made on prepaid commercial bills of lading, *provided* that this does not preclude a proper change in delivery terms pursuant to the Changes clause. Normally, when transit credits apply, the contract, although f.o.b. origin, will require the contractor to pay the transportation charges on shipments to which the transit credits apply subject to reimbursement by the Government (total freight costs from bidder's original source for the supplies, via his plant to the Government destination, less the amount previously paid for transportation to his plant, plus the usual transit privilege charge). Such shipments move for the account of and at the risk of the Government, and become Government property upon Government acceptance at origin. The contractor shall show the transportation and transit charges as a separate amount on the invoice for each individual transited shipment. The amount reimbursed by the Government shall not exceed the amount quoted in the bid (offer and used for evaluation). Each such invoice shall be supported by the carrier's receipt indicating that total freight charges have been or will be paid by the contractor. When supplies are of such nature, or it is the custom of the trade that bidders may have potential transit credits available, the "*Transportation Transit Privilege Credits*" provision in 7-2003.18 shall be included in the solicitation.

19-207 Mode of Transportation. Generally, solicitations shall not specify a particular method or mode of transportation or a particular carrier for delivery of supplies. When special types of transportation equipment or limited facilities for delivery and receipt of supplies at destination permit the use of only one mode of transportation, such special delivery requirements may, after referral to the appropriate transportation office, be the basis for:

(i) controlling the method or mode of transportation by specifying only f.o.b. origin as the place of delivery, or

(ii) specifying the special delivery requirements in f.o.b. destination procurements (see 19-211).

19-208 Solicitation Provisions Covering FOB Point.

19-208.1 *General.*

(a) Solicitations in which bids or offers may be submitted both f.o.b. origin or f.o.b. destination in accordance with 19-104.2(b), shall include so much of the information required by 19-208.2, 19-208.3 and 19-211 as is pertinent to the particular procurement. They shall provide that bids or proposals may be submitted on either or both bases and they will be evaluated on the basis of the lowest overall cost to the Government.

(b) The "*Evaluation of Export Bids (or Proposals)*" provision in 7-2003.20 shall be included in the solicitation when the supplies are to be purchased in ac-

cordance with 19-213.1 for ultimate delivery to known destinations outside the United States, and it has been determined that other ports, in addition to a primary port, can be used.

19-208.2 *FOB Origin.*

(a) Whenever the supplies will or may be delivered f.o.b. origin, the clauses in 7-104.70 and 7-104.85 shall be included in the contract. Generally, solicitations for supplies which will or may be purchased f.o.b. origin shall provide for delivery in carload or truckload lots (see 19-209) f.o.b. carrier's equipment, wharf, or freight station (as specified by the Government), at a city or shipping point to be specified by the bidder or offeror. This will enable the military traffic management offices, when issuing routing instructions, to select the mode of transportation which will provide the required service at the lowest overall cost. When f.o.b. origin bids (offers) only are desired, the solicitation shall specify that any bids (offers) submitted on any other basis shall be rejected as nonresponsive.

(b) Solicitations which include the clause in 7-104.70 may include the "*F.O.B. Origin (With Differentials)*" provision in 7-2003.19 when it is believed that a prospective contractor is likely to include in his f.o.b. origin price a contingency to compensate for what may be for him an unfavorable routing condition which the Government has the option to specify at the time of shipment. Such routing condition (*e.g.*, delivery to rail car, wharf, etc.) due to the location of the prospective contractor's plant, lack of rail siding, etc., impose on him a substantial expense above his "at plant" or "commercial shipping point" price. Accordingly, the provision in 7-2003.19 is intended to permit prospective contractors to state in bids or offers a reimbursable differential which represents their cost of bringing the supplies to any f.o.b. origin place of delivery specified at the time of shipment by the Government. The provision is appropriate if:

(i) the loading nature of the supplies, such as wheeled vehicles, and/or the different methods of shipment specified by the Government; *i.e.*, towaway, driveaway, tri-level vehicle, rail car, etc., may increase the contractor's cost in varying amounts for bringing the supplies to, or loading and bracing the supplies at, the specified place of delivery;

(ii) the contractor's f.o.b. origin shipping point is a port city served by United States inland, coastwise or intercoastal water transportation, and additional costs would be incurred by the contractor to make delivery f.o.b. a wharf in such city to accommodate water routing specified by the Government; or

(iii) the contractor's plant does not have a private rail siding and to ship by Government specified rail routing, the contractor would be required to deliver the supplies to a public siding or freight terminal, and to load, brace, and install dunnage in rail cars.

(c) Land methods of transportation by regulated common carrier are the normal means of transportation used by the Government between points in the continental United States. Accordingly, the "*Evaluation—F.O.B. Origin*" provision in 7-2003.23 shall be included in f.o.b. origin solicitation to establish the means the Government will use in applying transportation costs for evaluation. However, when it is appropriate to use other methods of transportation in evaluating bids or proposals, *e.g.*, air, pipeline, or barge and ocean tanker for bulk commodities, the provision may be modified accordingly.

19-208.3 *FOB Destination.*

(a) When the supplies will or may be purchased f.o.b. destination (see 19-104.2(d)), the clause in 7-104.71 shall be included in the contract. When only f.o.b. destination bids or proposals are desired, the solicitation shall specify that bids or offers submitted on a basis other than f.o.b. destination will be rejected as nonresponsive. When the supplies will or may be purchased f.o.b. destination and inspection and acceptance will be at origin, the contract shall also include the clause in 7-104.76.

(b) When procurement is on an f.o.b. destination basis, special care shall be taken to observe the requirements of 14-305.3 as to place of inspection; also see 14-306 and 14-307 as to place of acceptance.

19-208.4 *Destination Unknown.*

(a) When the exact destination of the supplies to be purchased is not known, but the general location of the expected users can be reasonably established, the purchase request shall designate a place or places as the tentative point(s) to which transportation costs will be computed, stating estimated quantities for each tentative destination. The solicitation shall provide that bids or proposals shall be submitted f.o.b. origin only (see 19-104.2(c)(1)(ii)) and that shipment shall be made on Government bills of lading. The clause contained in 7-104.70 and the "*Destination Unknown*" and the "*F.O.B. Origin — Carload and Truckload Shipments*" provisions in 7-2003.24(a) and (b) shall be included to:

(i) establish that destinations are tentative and only for the purpose of evaluating bids or proposals;

(ii) establish that bids (offers) will be solicited on basis of f.o.b. origin only; and

(iii) control subsequent shipping weights.

(b) When the purchasing office and the requesting activity determine that it is impracticable to estimate any tentative or general delivery points for the purpose of evaluating transportation costs, proposals shall be solicited f.o.b. origin only (see 19-104.2(c)(1)(ii)) and evaluation will be made without regard for transportation costs. In such cases, insert the provision in 7-2003.70 in the contract. The contract file shall be documented with justification for such solicitation provision and this paragraph shall be cited. The clauses in 7-104.70 and 7-104.72 shall be included in the solicitation.

19-209 Required Shipping Weights. Solicitations which may result in f.o.b. origin contracts shall include the "*F.O.B. Origin — Carload and truckload Shipments*" provision in 7-2003.24(b). This will provide agreement as to appropriate freight costs for evaluation of bids or proposals, and assure that contractors produce economical shipments of agreed size (see 19-208.2(a)).

19-210 Guaranteed Shipping Weights and Dimensions. When shipping weights and dimensions are required to evaluate offers as to transportation costs, the "*Guaranteed Maximum Shipping Weights and Dimensions*" provision in 7-2003.16 shall be included in the solicitation.

19-211 Transportation Responsibilities of Contractors.

(a) The clause in 7-104.73 shall be included in contracts for supplies which may be shipped in carload lots by rail. The clause specifies that carload shipments shall be loaded, blocked and braced by the contractor in accordance with standards published by the Association of American Railroads.

(b) If the nature of the supplies or safety, environmental, or transportability factors require special methods for securing the supplies on the carrier's equipment, or only a special mode of transportation or type vehicle is appropriate (see 19-103), the solicitation shall set forth such detailed methods.

19-212 Shipping Point(s) Used in Evaluation of FOB Origin Bids. The "*Shipping Point(s) Used in Evaluation of F.O.B. Origin Bids (Or Proposals)*" provision in 7-2003.24(c) shall be included in solicitations which may result in f.o.b. origin contracts to assure application of appropriate freight costs in evaluating bids or proposals. This provision should be supported by an additional provision as part of the solicitation, to require prospective contractors to specify the location of their actual shipping point(s) (street address, city, state, and zip code) from which supplies will be delivered to the Government in accordance with the contract's f.o.b. origin terms. To assure appropriate rail routing for shipments from or to the contractor's shipping point, each prospective contractor shall also be required to specify whether his shipping point has a private railroad siding and the name of the rail carrier serving it. When the shipping point does not have a private siding, the name and address of the nearest public rail siding and carrier serving it shall be specified.

19-213 Shipments to Ports.

19-213.1 *Solicitation/Contract Provisions.*

(a) When supplies are for known destinations outside the continental United States, the CONUS port of loading or point of exit (aerial or water) which serves the overseas destination shall be listed in the solicitation for transportation evaluation purposes.

(b) When a contract will not generate any shipment for which an Export Release is required (less than 10,000 lbs., etc.; see paragraph 202024 of the Military Traffic Management Regulation (AR 55-355, NAVSUP Pub 444, MCO 4600.14, DSAR 4500.3), hereafter referred to as MTMR), only the CONUS ports which serve the overseas destination shall be listed in the solicitation (see DoD Regulation 4500.32-R, Appendix G).

(c) Except for contracts to which (b) above applies, other CONUS ports which meet the eligibility criteria compatible with the nature and quantity of the supplies, their destination, type of carrier required, and specified overseas delivery dates also may be listed in the solicitation for evaluation purposes. This will permit bidders or offerors, who are geographically remote from the port which normally serves the overseas destination, to be competitive as far as transportation costs are concerned. Ports of loading to be included in the solicitation may be determined through coordination with the headquarters of the Military Traffic Management Command serving the area in which the purchasing office is located.

(d) Unless logistics requirements limit the ports of loading to those ports listed in the solicitation, the solicitation shall provide that the bidder or offeror may nominate additional ports (including ports in Alaska and Hawaii) more favorably located to his shipping point, and that these ports shall be considered in the evaluation of bids or proposals; *provided*, however, that these ports must possess all requisite capabilities of the listed ports in relation to the supplies being procured. Under these circumstances, the "*Evaluation of Export Bids (Or*

Proposals)" provision in 7-2003.20 shall be included in the solicitation. When a solicitation provides for bids or offers on the basis of f.o.b. origin only, as described in paragraph B of this provision, paragraph C and the last sentence of paragraph E shall be deleted. When a solicitation provides for bids or offers on the basis of f.o.b. destination only, as described in paragraph C of the same provision, the following shall be deleted: paragraph B, the opening phrase in paragraph C(2) "Unless bids . . . (see B above)" and the first and third blocks pertaining to origin at the end of paragraph E.

(e) The award shall specify the United States port(s) of loading which afford the lowest overall cost to the overseas destination.

19-213.2 *Military Standard Transportation Movement Procedures (MILSTAMP) Documentation and Export Releases.* A transportation Control Movement Document (TCMD) must be dispatched to the appropriate air or water clearance authority in accordance with MILSTAMP procedures, for all shipments consigned to either air or water terminal transshipment points. Additionally, an Export Release must be obtained for certain categories of supplies to be transshipped via a water port of loading to overseas destination (see 19-213.1 and 16-823). MILSTAMP procedures are designed to be compatible with Export Release procedures for controlling the movement of cargo via water and air terminals. To assure control of export traffic, the clause in 7-104.74 shall be included in contracts calling for shipments consigned to either air or water terminal transshipment points.

19-214 Place of Delivery for Shipments Originating Outside the United States. It is the policy of the Department of Defense, in furtherance of the Cargo Preference Act (46 U.S.C. 1241), to encourage and foster the American Merchant Marine. When transportation of supplies by ocean vessel will be required (see Section I, Part 14) and in the absence of specific instructions from the requiring activity, the place of delivery for shipments originating outside the United States shall be based on the known availability of United States flag vessels between the points involved.

19-215 Diversions Affecting FOB Destination Transportation Costs. To provide the measure for adjustment of shipping costs if the contracting officer directs a change in the place of delivery on f.o.b. destination contracts, the contract shall include the clause in 7-104.75.

19-216 Scheduling of Deliveries To Permit Consolidation of Shipments. The accumulation of small shipments into carload or truckload lots will result in lower transportation costs. Also, the accumulation of small shipments into less than load shipments may result in lower transportation costs. Upon review of the purchase request and in conjunction with the requiring or requisitioning activity, consideration shall be given to revising delivery schedules to provide for deliveries in larger quantities. When feasible, delivery schedules for supplies to be delivered to multiple destinations should be consolidated and the stopoff (in transit) privilege permitted under carrier's tariffs used for partial unloading at one or more points directly en route between the point of origin and the last destination.

19-217 Special Freight Rates for Transportation of Supplies. Part I of the Interstate Commerce Act makes unlawful all unjust discrimination and also prohibits the direct or indirect charging, demanding or receiving, for any service,

greater or less compensation from any person than any other for a like and contemporaneous service. However, Section 22 of Part I of the Act, and comparable sections of other parts of the Act, permits common carriers subject to the Act to provide for the carriage, storage, or handling of property free or at reduced rates when the services are provided for the United States. State or municipal Governments, and other specified organizations. Accordingly, Section 22 allows a surface carrier to offer preferential rates to the United States for the movement of property. These rates are popularly known as Section 22 rates.

19–217.1 *Applicability of Section 22 Rates.* Section 22 rates are not applicable to shipments under a fixed-price f.o.b. destination contract. Such rates are published in Government rate tenders and apply on shipments moving on Government bills of lading or on commercial bills of lading endorsed to show that such bills of lading are to be exchanged for or converted to Government bills of lading at destination after delivery to the consignee; however, for such benefits to accrue to the Government on shipments moving on other commercial bills of lading, it becomes necessary to establish that the Government pays the total transportation charges or directly and completely reimburses the party which initially bears the freight charges.

(a) In fixed-price f.o.b. origin contracts, the Government may occasionally require the contractor to prepay the freight charges to a specific destination. In such cases, the contractor would be reimbursed for the direct and actual transportation cost as a separate item in the invoice (see 19–403.2). To insure that the Government, in this type of arrangement, obtains the benefit of Section 22 rates, when they exist, the clause in 7–103.25 shall be included in the contract.

(b) The Section 22 preferential rates are applicable to shipments moving on commercial bills of lading under cost-type contracts, where the transportation costs are direct and allowable costs under the cost principles of Section XV. To insure that the Government receives the benefit of lower Section 22 rates, when they exist, the clause in 7–203.14 shall be included in cost-type contracts.

(c) Section 22 of the Interstate Commerce Act rates are not applicable on Foreign Military Sales (FMS) shipments. However, on stock fund items from a manufacturer to a depot, Section 22 rates do apply, unless it is clear that the quantity in a specific transportation unit will be delivered to a FMS purchaser. When it is known that a portion of the material in a transportation unit will be delivered to a FMS purchaser, that portion will be shipped on a separate bill of lading and Section 22 rates will not apply.

TRANSPORTATION

Part 3—Evaluation of Bids and Proposals

19-301 Transportation Rates and Related Costs To Be Used.

19-301.1 *General.*

(a) To afford proper analysis and consideration of transportation factors, the contracting officer shall consider transportation rates and related costs in the evaluation of f.o.b. origin bids and proposals. The best available transportation rates and related costs in effect or to become effective prior to the expected date of initial shipment and on file or published at the date of the bid opening, shall be used in the evaluation. However, when transportation rates and related costs which cover the traffic are filed or published after the bid opening or proposal due date and there were no applicable rates or costs in existence on that date, these rates and costs shall be so identified by the area headquarters of Military Traffic Management Command (MTMC) or the Military Sealift Command (see 19-301.2) and shall be used in the evaluation (see 16-822).

(b) When Government property is to be furnished and shipped by the Government under a contract to a point specified by the prospective supplier in his bid or proposal, transportation costs shall be a cost factor in the evaluation of bids, or proposals.

19-301.2 *Sources of Transportation Rates and Related Costs.*

(a) Land and air rates; inland, coastwise, and intercoastal water rates; ocean rates and costs; port handling charges; and related information pertaining to supplies moving to or from either overseas points or points within the continental United States shall be obtained from the appropriate area headquarters of MTMC by the transportation or traffic management office which supports the contracting officer. However, rates and costs applicable to shipments of bulk petroleum via ocean tanker transportation should be obtained from the Military Sealift Command.

(b) Rates and related costs for all supplies to be shipped between points outside of the continental United States, including Alaska and Hawaii, shall be obtained from the Headquarters of the Military Service which sponsors the cargo. Requests should be directed as follows:

Army	Deputy Chief of Staff for Logistics, Department of the Army, ATTN: LOG/MM-SSB, Washington, D. C. 20310.
Navy	Naval Supply Systems Command, Code 05, Washington, D. C. 20390.
Air Force	Applicable overseas Air Force Command.
Marine Corps	Director, Transportation Division, HQ, U.S. Marine Corps, COS, Washington, D. C. 20380.

(c) Requests for rates and related costs for the evaluation of bids or proposals shall include the bid opening or proposal due date and the expected date of initial shipment, if established.

(d) The locations and geographical areas of jurisdiction of each area headquarters of the MTMC are listed in Chapter 108 of the MTMR.

TRANSPORTATION

Part 4—Contract Administration

19–401 Traffic Management for Contract Administration. The transportation office of the contract administration office shall have access to or be furnished a copy of the contract, including modifications thereto. When the transportation data regarding f.o.b. origin contracts are insufficient for Government transportation purposes (see 19–202), the contract administration office shall obtain the data used in the evaluation of the bid or proposal from the purchasing office. This will assure that instructions to contractors result in the most efficient and economical use of carrier services and equipment. Transportation personnel are responsible for:

(i) furnishing timely routings and releases for port shipments;

(ii) monitoring shipments to provide for carload or truckload quantities when practicable;

(iii) controlling and issuing Government bills of lading and determining proper freight classification descriptions;

(iv) reviewing documentation to assure the proper distribution and validation of shipping documents;

(v) advising as to the effect proposed changes will have on transportation costs;

(vi) determining, for the contract requirements, the size and capabilities of carrier's equipment to be ordered, based on the need for special shipping arrangements for oversize and overweight or dangerous supplies;

(vii) developing information and reporting movements that may be the basis for negotiating special rates for volume movements or for rate adjustments (see 19–402);

(viii) exercising control of irregularities in packing, loading, loss and damage causes, sealing of vehicles, and documentation of weights;

(ix) providing information on use of transit arrangements;

(x) recommending prepayment, when appropriate, by contractor for f.o.b. origin shipments or parcel post (see 19–403.2 and 19–403.3);

(xi) diverting, reconsigning, tracing, and expediting shipments;

(xii) functioning to control new shipping situations or meet emergency requirements which arise during contract administration; and

(xiii) considering the capabilities of the contractors for performing the foregoing and utilizing these capabilities when appropriate; and

(xiv) utilizing routings through established consolidation stations when it is in the best interest of the Government.

19–402 Volume Movements Within the Continental United States.

(a) Volume movement means the aggregate of one or more freight shipments to move during the contract period, amounting to or exceeding 25 carloads, 25 truckloads, or 500,000 pounds, from one point of origin for delivery to one destination point or area.

(b) As soon as production schedules and planned destinations have been established after award, the transportation office serving the purchasing office shall review contracts and report planned volume movement in accordance with

the Military Traffic Management Regulation (AR 55–355, NAVSUP Pub 444, AFM 75–2, MCO 4600.14, DSAR 4500.3). A copy of the volume movement report shall be forwarded to the contract administration office.

(c) The transportation office serving the contract administration office will submit required volume movement reports (see 19–401 (vii)) when:

(i) upon review of contract it is determined that no volume movement report has been submitted by the purchasing office; or

(ii) movement requirements are refined or changed to such a degree that a revised volume movement report should be submitted.

(d) Reporting of volume movements will permit a determination of the reasonableness of applicable current rates, and when appropriate, negotiation of adjusted or modified rates, in accordance with the above regulation. Government traffic frequently possesses more favorable transportation characteristics (greater volume, heavier loading, less likelihood of damage, etc.) than commercial traffic. These favorable characteristics provide the basis for special adjustments of rates for Government traffic under provisions of Section 22 of the Interstate Commerce Act (49 U.S.C. 22).

19–403 Shipping Documents Covering FOB Origin Shipments.

19–403.1 *Government Bills of Lading.* Except as provided in 19–403.2, when a contract provides that supplies be delivered f.o.b. origin, with transportation costs to be paid by the Government, shipments shall be made on Government bills of lading furnished to the contractor by the contract administration office. The contracting officer shall not authorize the contractor to ship on a commercial bill of lading for conversion to a Government bill of lading unless delivery is extremely urgent and Government bills of lading are not readily available (see 16–822 and 16–823).

19–403.2 *Use of Prepaid Commercial Bills of Lading.*

(a) When economical or otherwise justified, the contracting officer or his representative may authorize the contractor to make the following f.o.b. origin freight or express shipments (if they have no security classification) at Government expense on prepaid commercial bills of lading to domestic destinations, including United States military air terminals and water terminals:

(i) shipments not exceeding 150 pounds by any form of commercial air transportation (because of restrictions imposed by air carriers, a package weighing more than 100 pounds or measuring more than 44 x 24 x 30 inches should not be tendered to a commercial air carrier unless it is known that it will be accepted;

(ii) shipments not exceeding 250 pounds by railway express or bus express (because of restrictions imposed by bus express carriers, a package weighing more than 100 pounds or measuring more than 45 x 24 x 24 inches should not be tendered to the bus express carrier unless it is known that it will be accepted;

(iii) shipments not exceeding 1,000 pounds by other common carriers; or

(iv) shipments by common carriers, other than specified in (i) and (ii) above, which can be consolidated with the contractor's own prepaid shipments for delivery to one or more destinations; *provided* that, all appropriate f.o.b. origin shipments, under one or more Government

contracts, have been consolidated initially. The contractor may be authorized to consolidate less-load Government shipments with his own shipments to take advantage of lower carload or truckload freight costs, and the Government shall assume its pro rata share of the combined shipment cost. Overall transportation costs shall be evaluated prior to authorizing any movement to assure that savings will be realized by the Government consistent with other contract and traffic management considerations. When consolidation is authorized, a copy of the commercial bill of lading will be mailed promptly to the consignee(s).

(b) A contract modification is not required when shipment is made under a prepaid commercial bill of lading as authorized in (a) above. Unless otherwise provided in the contract, the supplies will move for the account and at the risk of the Government, and will become Government property when loaded on the carrier's equipment and the contractor has obtained the carrier's receipt. The contractor pays the transportation charges and is reimbursed by the Government. Loss or damage claims shall be processed in accordance with directives of the Department concerned.

(c) Unless otherwise provided by the contract, when the contractor is authorized to ship on a prepaid commercial bill of lading in lieu of a Government bill of lading, he must agree to show the prepaid transportation charges, or apportioned charges as agreed (see (a)(iv) above), as a separate item on the invoice for each individual shipment of supplies. The contractor also must agree to retain related freight bills or other transportation billings paid separately for a period of three years and to furnish such bills to the Government when requested for audit purposes. When reimbursement of transportation charges is provided in the contract, the contract shall contain the agreement for retention of such bills. When the contracting officer or his representative authorizes prepaid shipment in special instances, subject to reimbursement, the written authority shall contain the instructions as to retention of freight bills. When transportation costs are to be reimbursed to the contractor under a cost reimbursement type contract, insert the clause in 7-204.61.

19-403.3 *Shipments by Parcel Post or Other Classes of Mail.*

(a) Use of parcel post or other classes of mail permits direct movement from the source of supply to the user, without the intermediate documentation that is required when supplies are transported through depots or air or water terminals. However, the use of parcel post and other classes of mail shall be confined to deliveries of mailable matter which meet the size, weight, and distance limitations prescribed by the Post Office Department. Contractors shall not divide delivery quantities into mailable parcels for the express purpose of avoiding shipments by other modes of transportation.

(b) *Printing, Recruiting, and Advertising Contracts.* When parcel post or other classes of mail used by printing contractors, and contractors in connection with publicity and advertising campaigns related to recruitment, involve F.O.B. origin contracts, the procedures in this paragraph or in paragraph (c) below are authorized in accordance with the best interests of the Government. When parcels are to be mailed under "Postage and Fees Paid" indicia, the clause in

7-104.85(b) shall be used and the contractor shall be provided with official mailing labels, envelopes, or cards printed "Postage and Fees Paid." Labels, envelopes, or cards furnished to contractors must bear in every case the *printed* return address of the military activity of the Department or Agency concerned over the printed words "*Official Business*" and must bear the proper permit imprint number. The name and address of a private person or firm shall not be shown. Printing requirements obtained through the Government Printing Office are subject to instructions provided by the GPO.

(c) *Other Contracts.* When parcel post or other classes of mail are used by contractors other than in (b) above in connection with F.O.B. origin contracts, the clause in 7-104.85(a) shall be used and the contractor will prepay the postage costs by using his own mailing labels or stamps. Reimbursement for prepaid postage costs will be obtained by including such costs as a separate item on the invoice for supplies shipped. Use of indicia mail is not authorized. Deviations from this policy shall be processed pursuant to 1-109 and, when granted, the requesting Department must satisfy the U.S. Postal Service permit requirements.

(d) When the contractor uses his own labels for making shipments to post offices serving military consignees outside the United States, the parcels shall be stamped or printed with the name of the Military Department, *i.e.*, "(*Army, Navy, Air Force, or DLA*), Official Mail—Contents for Official Use—Exempt from Customs Requirements" in 1 / 4 inch block letters immediately above the label, to permit identification and to expedite handling within the postal system. Use of this marking does not eliminate the requirement for payment of postage by the contractor when so required by the contract or when he is to be reimbursed for the cost of postage.

(e) Shipments may not be insured at Government expense for the purpose of recovery in case of loss or damage, except that minimum insurance required for the purposes of obtaining receipts at point of origin and upon delivery is authorized.

19-404 Routing, Tracing, and Expediting Shipments. Routing of military freight consists of determining a mode of transportation and the carrier which will effect safe and timely delivery of supplies at the lowest overall cost. Tracing is the procedure used for locating unduly delayed shipments. Expediting is the procedure used when a shipment is urgently needed at destination or when congestion is likely to occur on the lines of the carriers over which the shipment is to move. Methods for tracing or expediting shipments are outlined in Chapter 220, Military Traffic Management Regulation.

19-405 Demurrage and Detention Charges.

(a) *Demurrage* is a fixed charge made by rail carriers on cars held by, or for, a consignor or consignee for loading, unloading, or for any other purpose. A contractor who detains cars for these reasons is required to pay the carrier's published tariff charges for demurrage. Generally, carrier demurrage rules allow a definite period called "free time" for loading or unloading cars or for any other purpose, and impose a definite per day per car charge for cars held beyond this period. The free time allowed is usually 48 hours for loading or unloading cars and 24 hours when cars are held for reconsignment, diversion, reshipment, or held in transit on orders of the shipper or consignee. Normally, the free time

starts from the first 7 a.m. (excluding Saturdays, Sundays, and holidays) after placement of the car.

(b) *Detention* is the term used when motor carrier equipment is held by, or on behalf of, a shipper or consignee beyond a reasonable period allowed for loading, unloading, forwarding directions, or for any other purpose. Motor carrier detention rules and charges are not uniform and are published in individual carrier or agency tariffs. Detention charges are usually based on an hourly rate.

(c) Procedures involving payment or collection of demurrage or detention charges are contained in paragraph 219010 of the Military Traffic Management Regulation.

19-406 Discrepancies Incident to Shipment of Supplies.

(a) Discrepancies incident to shipment include overage, shortage, loss and damage, improper markings, and consignment deficiencies (see Reporting of *Transportation Discrepancies in Shipments*—AR 55-38, NAVSUP Pub 459, AFR 75-18, MCO P4610.19, DSAR 4500.15). Improper markings or consignment deficiencies may result in misdirected shipments or additional handling or stowing of shipments, or affect identification of contents which necessitates opening of containers.

(b) Generally, when the place of delivery is f.o.b. origin, the Government consignee at destination is also the accountable office for the supplies, and all claims or reports dealing with discrepancies are initiated at that point in accordance with the property accountability regulations of the Department concerned. The administrative procedures required in Chapter 221 of the Military Traffic Management Regulation govern the actions to be taken with respect to discrepancies caused by carriers.

(c) When supplies are procured on an f.o.b. destination basis, any claim arising from a discrepancy occurring in transit is a matter for settlement between the contractor and the carrier. However, the Government consignee shall notify the carrier of the discrepancy by noting the exception on the carrier's receipt and shall furnish all available data to the contract administration office which shall promptly transmit the data to the contractor.

19-407 Report of Shipment (REPSHIP). Military storage and distribution points, depots, and other receiving activities require advance notice of shipments en route from contractor's plants. Generally, such notice is required only for minimum carload or truckload shipments. The notification facilitates arrangements for transportation control, labor, space, and use of materials handling equipment at destination. Also timely receipt of notices by the consignee transportation office precludes the incurring of demurrage and vehicle detention charges. To assure discharge by the contractor of his responsibilities related to these requirements, the substance of the clause in 7-105.4 shall be included in all appropriate solicitations.

DEPARTMENT OF DEFENSE FORMS

F-200.633 *DD Form 633: Contract Pricing Proposal*

DEPARTMENT OF DEFENSE
CONTRACT PRICING PROPOSAL

Form Approved Budget Bureau No. 22-R100

This form is for use when submission of cost or pricing data (see ASPR 3-807.3) is required | PAGE NO | NO. OF PAGES

NAME OF OFFEROR | SUPPLIES AND/OR SERVICES TO BE FURNISHED

HOME OFFICE ADDRESS (Include ZIP Code) | QUANTITY | TOTAL AMOUNT OF PROPOSAL $

DIVISION(S) AND LOCATION(S) WHERE WORK IS TO BE PERFORMED | GOVERNMENT SOLICITATION NO.

COST ELEMENTS	PROPOSED CONTRACT ESTIMATE: TOTAL COST	UNIT COST	REFERENCE
1. DIRECT MATERIAL: a. PURCHASED PARTS			
1. DIRECT MATERIAL: b. SUBCONTRACTED ITEMS			
1. DIRECT MATERIAL: c. OTHER DIRECT MATERIAL: (1) RAW MATERIAL			
1. DIRECT MATERIAL: c. OTHER DIRECT MATERIAL: (2) STANDARD COMMERCIAL ITEMS			
1. DIRECT MATERIAL: c. OTHER DIRECT MATERIAL: (3) INTERDIVISIONAL TRANSFERS (or other than cost)			
2. MATERIAL OVERHEAD			
3. INTERDIVISIONAL TRANSFERS AT COST			
4. DIRECT ENGINEERING LABOR			
5. ENGINEERING OVERHEAD			
6. DIRECT MANUFACTURING LABOR			
7. MANUFACTURING OVERHEAD			
8. OTHER COSTS			
9. SUBTOTALS			
10. GENERAL AND ADMINISTRATIVE EXPENSES			
11. ROYALTIES			
12. FEDERAL EXCISE TAX			
13. SUBTOTALS			
14. PROFIT OR FEE			
15. TOTAL PRICE (Amount)			

I. HAVE THE DEPARTMENT OF DEFENSE, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, OR THE ATOMIC ENERGY COMMISSION PERFORMED ANY REVIEW OF YOUR ACCOUNTS OR RECORDS IN CONNECTION WITH ANY OTHER GOVERNMENT PRIME CONTRACT OR SUBCONTRACT WITHIN THE PAST TWELVE MONTHS?

☐ YES ☐ NO IF YES, IDENTIFY BELOW.

NAME AND ADDRESS OF REVIEWING OFFICE (Include ZIP Code) | TELEPHONE NUMBER

II. WILL YOU REQUIRE THE USE OF ANY GOVERNMENT PROPERTY IN THE PERFORMANCE OF THIS PROPOSED CONTRACT?

☐ YES ☐ NO IF YES, IDENTIFY ON A SEPARATE PAGE.

III. DO YOU REQUIRE GOVERNMENT CONTRACT FINANCING TO PERFORM THIS PROPOSED CONTRACT?

☐ YES ☐ NO IF YES, IDENTIFY ☐ ADVANCE PAYMENTS ☐ PROGRESS PAYMENTS OR ☐ GUARANTEED LOANS

IV. HAVE YOU BEEN AWARDED ANY CONTRACTS OR SUBCONTRACTS FOR SIMILAR ITEMS WITHIN THE PAST THREE YEARS?

☐ YES ☐ NO IF YES, SHOW CUSTOMER(S) AND CONTRACT NUMBERS BELOW OR ON A SEPARATE PAGE

V. DOES THIS COST SUMMARY CONFORM WITH THE COST PRINCIPLES SET FORTH IN ASPR, SECTION XV (see 3-807.3(c)(3))?

☐ YES ☐ NO IF NO, EXPLAIN ON A SEPARATE PAGE

This proposal is submitted for use in connection with and in response to _____

_____ * and reflects our best estimates as of this date,

in accordance with the instructions to offerors and the footnotes which follow.

*DESCRIBE RFP, ETC.

TYPED NAME AND TITLE | SIGNATURE

NAME OF FIRM | DATE OF SUBMISSION

DD FORM 633 PREVIOUS EDITIONS ARE OBSOLETE

F-200.633

ARMED SERVICES PROCUREMENT REGULATION

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F-200.633 *DD Form 633: Contract Pricing Proposal*—Continued

INSTRUCTIONS TO OFFEROR

1. The purpose of this form is to provide a standard format by which the offeror submits to the Government a summary of incurred and estimated costs *(and attached supporting information)* suitable for detailed review and analysis. Prior to the award of a contract resulting from this proposal, the offeror shall, under the conditions stated in ASPR 3-807.3, be required to submit a Certificate of Current Cost or Pricing Data *(see ASPR 3-807.3(e) and 3-807.4)*.

2. As part of the specific information required by this form, the offeror must submit with this form, and clearly identify as such, cost or pricing data *(that is, data which is verifiable and factual and otherwise as defined in ASPR 3-807.3(e))*. In addition, he must submit with this form any information reasonably required to explain the offeror's estimating process, including:

   a. The judgmental factors applied and the mathematical or other methods used in the estimate including those used in projecting from known data, and

   b. The contingencies used by the offeror in his proposed price.

3. When attachment of supporting cost or pricing data to this form is impracticable, the data will be specifically identified and described *(with schedules as appropriate)*, and made available to the contracting officer or his representative upon request.

4. The formats for the "Cost Elements" and the "Proposed Contract Estimate" are not intended as rigid requirements. These may be presented in different format with the prior approval of the contracting officer if required for more effective and efficient presentation. In all other respects this form will be completed and submitted without change.

5. By submission of this proposal, offeror, if selected for negotiation, grants to the contracting officer, or his authorized representative, the right to examine, for the purpose of verifying the cost or pricing data submitted, those books, records, documents and other supporting data which will permit adequate evaluation of such cost or pricing data, along with the computation and projections used therein. This right may be exercised in connection with any negotiations prior to contract award.

FOOTNOTES

NOTE 1. Enter in this column those necessary and reasonable costs which in the judgment of the offeror will properly be incurred in the efficient performance of the contract. When any of the costs in this column have already been incurred *(e.g., on a letter contract or change order)*, describe them on an attached supporting schedule. When "preproduction" or "startup" costs are significant or when specifically requested in detail by the contracting officer, provide a full identification and explanation of same.

NOTE 2. The use of this column is optional for multiple line item proposals, except where the contracting officer determines that a separate DD Form 633 is required for selected line items.

NOTE 3. Attach separate pages as necessary and identify in this column the attachment in which the information supporting the specific cost element may be found. No standard format is prescribed, however, the cost or pricing data must be accurate, *complete and current*, and the judgment factors used in projecting from the data to the estimates must be stated in sufficient detail to enable the contracting officer to evaluate the proposal. For example, provide the basis used for pricing the bill of materials such as by vendor quotations, shop estimates, or invoice prices; the reason for use of overhead rates which depart significantly from experienced rates *(reduced volume, a planned major rearrangement, etc.)*; or justification for an increase in labor rates *(anticipated wage and salary increases, etc.)*. Identify and explain any contingencies which are included in the proposed price, such as anticipated cost of rejects and defective work, anticipated costs of engineering redesign and retesting, or anticipated technical difficulties in designing high-risk components.

NOTE 4. Provide a list of principal items within each category of material indicating known or anticipated source, quantity, unit price, competition obtained, and basis of establishing source and reasonableness of cost.

NOTE 5. Include material for the proposed contract other than material described in the other footnotes under the cost element entitled "Direct Material."

NOTE 6. Include parts, components, assemblies, and services to be produced or performed by other than you in accordance with your designs, specifications, or directions and applicable only to the prime contract.

NOTE 7. Include raw and processed material for the proposed contract in a form or state which requires further processing.

NOTE 8. Include standard commercial items normally fabricated in whole or in part by you which are generally stocked in inventory. Provide explanation for inclusion at other than the lower of cost or current market price.

NOTE 9. Include all materials sold or transferred between your plants, divisions or organizations under a common control at other than cost to the original transferor and provide explanation of pricing method used.

NOTE 10. Indicate the rates used and provide an appropriate explanation. Where agreement has been reached with Government representatives on the use of forward pricing rates, describe the nature of the agreement. Provide the method of computation and application of your overhead expense, including cost breakdown and showing trends and budgetary data as necessary to provide a basis for evaluation of the reasonableness of proposed rates.

NOTE 11. Include separate breakdown of costs.

NOTE 12. Provide a separate breakdown of labor by appropriate category and furnish basis for cost estimates.

NOTE 13. Include all other estimated costs *(e.g., special tooling, facilities, special test equipment, special plant rearrangement, preservation packaging and packing, spoilage and rework, and warranty)* which are not otherwise included. Identify separately each category of cost and provide supporting details. If the proposal is based on a F.O.B. destination price, indicate separately all outbound transportation costs included in total amount.

NOTE 14. If the total cost entered here is in excess of $250, provide on a separate page *(or on DD Form 781, Royalty Report)* the following information on each separate item of royalty or license fee: name and address of licensor, date of license agreement, patent numbers, patent application serial numbers, or other basis on which the royalty is payable; brief description, including any part or model numbers of each contract item or component, on which the royalty is payable; percentage or dollar rate of royalty per unit; unit price of contract item; number of units; and total dollar amount of royalties. In addition, if specifically requested by the contracting officer, a copy of the current license agreement and *identification of* applicable claims of specific patents shall be provided.

NOTE 15. Selling price must include any applicable Federal excise tax on finished articles.

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3–807.3 *Cost or Pricing Data.*

(a) The contracting officer shall require the contractor to submit, either actually or by specific identification in writing, cost or pricing data in accordance with 16–206 and to certify, by use of the certificate set forth in 3–807.4, that, to the best of his knowledge and belief, the cost or pricing data he submitted was accurate, complete, and current prior to:

(i) the award of any negotiated contract (other than a letter contract) expected to exceed $100,000 in amount;

(ii) the pricing of any modification to any formally advertised or negotiated contract, whether or not cost or pricing data was required in connection with the initial pricing of the contract, when the modification involves aggregate increases and/or decreases in costs plus applicable profits expected to exceed $100,000. (For example, the requirement applies to a $30,000 modification resulting from a reduction of $70,000 and an increase of $40,000, or as another example, when the modification results in no change in contract price because there is an increase of $200,000 and a reduction of $200,000. However, this requirement shall not apply when unrelated and separately priced changes for which cost or pricing data would not be required are included in the same modification for administrative convenience.);

(iii) the award of any negotiated contract not expected to exceed $100,000 in amount or any contract modification not expected to exceed $100,000 in amount to any formally advertised or negotiated contract whether or not cost or pricing data was required in connection with the initial pricing of the contract, *provided* the contracting officer considers that the circumstances warrant such action in accordance with (f) and (g) below;

unless the price negotiated is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation. The requirements under (i) and (ii) above may be waived in exceptional cases where the Secretary (or, in the case of a contract with a foreign government or agency thereof, the Head of a Procuring Activity) authorizes such waiver and states in writing his reasons for such determination. Whenever a Certificate of Current Cost or Pricing Data is required, the applicable clause in 7-104.29 shall be included in the contract.

(b)(1) In addition, any contractor who is required to submit and certify cost or pricing data in accordance with (a) above shall be required with his own submission to submit, or procure the submission of, accurate, complete and current cost or pricing data, in accordance with 16-206, from his prospective subcontractors in support of each subcontract cost estimate included in the contractor's submission whenever the contracting officer considers such subcontractor data necessary for good pricing of the prime contract, or, in any event, whenever such subcontractor cost estimate is either (i) $1,000,000 or more, or (ii) both more than $100,000 and more than 10 percent of the prime contractor's proposed contract price; unless the contractor in his submission demonstrates to the satisfaction of the contracting officer that a prospective subcontract will be based on adequate price competition, or that a prospective subcontract estimate is based on an established catalog or market price of a commercial item sold in substantial quantities to the general public, or a price set by law or regulation. Except for subcontracts within (i) or (ii) above, any such requirement for subcontractor cost or pricing data may be limited by the contracting officer to particular subcontract items or classes of items. However, in the case of subcontracts of $100,000 or less, any such requirement shall be subject to limitations comparable to those set forth in (g) below for contracts of $100,000 or less. Submission of subcontractor cost or pricing data from more than one subcontractor for each subcontract item shall not ordinarily be required, *provided* that the contractor's subcontract cost estimate is based upon the cost or pricing data of the subcontractor who is most likely ultimately to get the subcontract. Notwithstanding the foregoing, the contractor shall remain obligated to submit other contractor data pertaining to subcontract costs, including other subcontractor quotations, to the extent required by (a) above.

(2) Prospective subcontractor cost or pricing data when required shall be accurate, complete and current as of the same date specified in the contractor's certificate. The contractor shall be responsible for updating a prospective subcontractor's data to the above date from the time of original submission by the subcontractor. Failure by the contractor to submit or procure submission of subcontract cost or pricing data as above required may be cause for disqualification of

the contractor from further consideration for award of the proposed contract except that when the contractor has generally complied with such subcontract cost or pricing data requirements, his failure to do so for particular subcontracts in exceptional cases may be excused by the contracting officer if the contractor in his submission demonstrates to the satisfaction of the contracting officer that he has expended his best efforts to comply in all cases but has been unable to do so because of time limitations or other circumstances beyond the control of the contractor. Such excuse, except when limited to an allowance of additional time as provided in (i) below, shall be approved by the Chief of the Purchasing Office. For each prospective subcontract so excused, the contracting officer shall either (i) allow additional time for submission of subcontract cost or pricing data up to the date of agreement upon the prime contract price; (ii) withdraw the requirement for such subcontract cost or pricing data if he deems that cost or pricing data or other information submitted by the contractor is adequate to support the subcontract estimate; (iii) reserve such subcontract item for future pricing by reaching agreement upon the contract price subject to a contract provision calling for adjustment of the contract price within a stipulated ceiling on the basis of subcontract or other cost or pricing data required to be submitted thereafter pursuant to (c) below or otherwise (see 3-807.10(c)); (iv) consider another contract type; or (v) make such other arrangements as he deems appropriate to provide an adequate basis for agreement upon contract price. Also, for each subcontract so excused, the contractor shall remain obligated to obtain subcontractor cost or pricing data as provided in (c) below.

(3) The requirements under (1) and (2) above, modified as appropriate to relate to a higher tier subcontractor rather than the prime contractor, shall apply to lower tier subcontracts under subcontracts for which subcontractor cost or pricing data is required by (1) and (2) above.

(4) If the cost or pricing data required by (a) above is not adequate for the purpose, the contractor shall be required to support subcontract cost estimates below the minima set forth in (b)(1)(i) and (ii) above, by any additional data or information needed to establish a reasonable contract (not necessarily subcontract) price. In the last analysis, the contracting officer must satisfy himself that the negotiated contract price is reasonable. For this purpose, he should require whatever additional contractor or subcontractor data is reasonably necessary. See (1) above and (e) below.

(c) Any contractor who has been required to submit and certify cost or pricing data in accordance with (a) above shall also be required to obtain cost or pricing data from his subcontractors under the circumstances set forth in the appropriate clause in 7-104.42, notwithstanding any prior submission from subcontractors pursuant to (b) above.

(d) Cost or pricing data furnished by a subcontractor or a prospective subcontractor pursuant to subparagraphs 3-807.3(b) or (c) above, must be submitted to the prime contractor or higher-tier subcontractor. It is the responsibility of the prime contractor and higher-tier subcontractor to review and evaluate the subcontract proposal and accompanying cost or pricing data and furnish the results of such review and evaluation to the Government as part of their cost or pricing data submission.

(e)(1) When, in the contracting officer's opinion, the prime or higher-tier subcontractor's analysis of the subcontract proposal is inadequate, the contracting officer will return the analysis package to the prime for re-accomplishment. The contracting officer should indicate the areas of inadequacy of review.

(2) It is the prime contractor's responsibility to accomplish or cause the accomplishment of the additional review required and resubmission of the package to the contracting officer.

(3) If the prime or higher-tier subcontractor is unable to accomplish the required additional analysis for justifiable reason, the Government will assist in the performance of the limited additional review required. The prime contractor must submit in these instances convincing evidence to the contracting officer that the prime or higher-tier subcontractor is unable to accomplish the additional analysis either because the additional review would jeopardize the subcontractor's competitive position or proprietary data is involved. In these instances, however, the contracting officer must furnish to the administrative contracting officer the review package accomplished by the prime or higher-tier subcontractor.

(4) In addition to the situations discussed in (e)(1) through (e)(3) above, there may be occasions when a prospective prime contractor or higher-tier subcontractor will request ACO assistance to perform or assist in performing a limited or complete review and evaluation of a subcontractor's proposal, in lieu of performing this work himself. The ACO should make arrangements for such assistance only when, in his opinion, it would be in the best interests of the Government to perform this contractor responsibility. Such assistance should generally be provided only when:

(i) there is a business relationship between the prime contractor and subcontractor not conducive to independence and objectivity, as in the case of a parent-subsidiary or when prime and subcontracting roles of the companies are frequently reversed; or

(ii) the contractor is sole source and the subcontract costs represent a substantial part of the prime contractor costs.

(5) There may also be situations when, in analyzing a contractor's proposal or negotiating a prime contract, the contracting officer considers it necessary to validate the prime contractor's review and evaluation of the subcontractor's proposal required under (d) above. The purpose would be to satisfy the Government, not the prime contractor, that these elements of the prime contractor's total proposed price are reasonable. This can be accomplished by the contracting officer requesting as part of field pricing support a review of the proposal of one or more major subcontractors be performed by cognizant Government personnel (see 3-801.5(b)(12)).

(f) When there is adequate price competition, cost or pricing data shall not be requested regardless of the dollar amount involved. As a general rule, cost or pricing data should not be requested when it has been determined that proposed prices are, or are based on, established catalog or market prices of commercial items sold in substantial quantities to the general public. Where, however, despite the willingness of a number of commercial purchasers to buy an item at such a catalog or market price, the purchaser (*e.g.*, the contracting officer) finds that that price is not reasonable and supports such finding by an enumeration of the facts upon which it is based, cost or pricing data may be requested if necessary to establish a reasonable price; *provided*, that such finding is approved at a level above the contracting officer. In addition, cost or pricing data may be requested, if necessary, where there is such a disparity between the quantity being procured and the quantity for which there is such a catalog or market price that pricing cannot reasonably be accomplished by comparing the two. Where an item is substantially similar to a commercial item for which there is an established catalog or market price at which substantial quantities are sold to the general public, but the offered price of the former is not considered to be "based on" the price of the latter in accordance with 3-807.1(b)(2)(c), any requirement for cost or pricing data should be limited to that pertaining to the differences between the items if this limitation is consistent with assuring reasonableness of pricing result.

(g)(1) Certified cost or pricing data shall not be requested prior to the award of any contract anticipated to be for $25,000 or less and generally should not be requested for modifications in those amounts. There should be relatively few instances where certified cost or pricing data and the inclusion of defective pricing clauses would be justified in awards between $25,000 and $100,000. In most such awards, the administrative costs will outweigh the benefits which might otherwise accrue from receipt of certified cost or pricing data; hence all other means of determining reasonableness of price should be utilized. When less than complete cost analysis (*e.g.*, analysis of only specific factors) will provide a reasonable pricing result (see 3-807.2(a)) on awards under $100,000 without the submission of complete cost or pricing data, the contracting officer shall request, without certification, only that data which he considers adequate to support the limited extent of the cost analysis required.

(2) Although cost or pricing data was requested in the solicitation, a certification of cost and pricing data shall not be requested in connection with the award of any contract of any dollar value where the price negotiated is based on adequate price competition, established catalog or market prices of commercial items sold in substantial quantities to the general public, or prices set by law or regulation.

(h) "Cost or pricing data" as used in this Part consists of all facts existing up to the time of agreement on price which prudent buyers and sellers would reasonably expect to have a significant effect on the price negotiations. The definition of cost or pricing data embraces more than historical accounting data; it also includes, where applicable, such factors as vendor quotations, nonrecurring costs, changes in production methods and production or procurement volume, unit cost trends such as those associated with labor efficiency, and make-or-buy decisions or any other management decisions which could reasonably be expected

to have a significant bearing on costs under the proposed contract. In short, cost or pricing data consists of all facts which can reasonably be expected to contribute to sound estimates of future costs as well as to the validity of costs already incurred. Cost or pricing data, being factual, is that type of information which can be verified. Because the contractor's certificate pertains to "cost or pricing data", it does not make representations as to the accuracy of the contractor's judgment on the estimated portion of future costs or projections. It does, however, apply to the data upon which the contractor's judgment is based. This distinction between fact and judgment should be clearly understood.

(i) The requirement for submission of cost or pricing data is met when all accurate cost or pricing data reasonably available (see 3-807.5(a)(1)) to the contractor at the time of agreement on price is submitted, either actually or by specific identification, in writing to the contracting officer or his representative. The distinction between the "submission" of cost or pricing data and the "making available" of records should be clearly understood. The mere availability of books, records and other documents for verification purposes does not constitute submission of cost or pricing data.

(j)(1) Except as provided in (3) and (4) below, each contractor or subcontractor at any tier shall be required to submit Form 633-7 in accordance with 16-206.1 if he claims an exemption from cost or pricing data requirements on the ground that his contract or subcontract price is based on an established catalog or market price (see 3-807.1(b)(2) or a price set by law or regulation. Such forms shall be submitted by subcontractors (through intermediate subcontractors if any) to the prime contractor who may submit them at any time to the contracting officer for an advance review of the acceptability of an exemption claim but otherwise shall submit them with the prime contractor's price proposal or request for subcontract consent or other action by the contracting officer, whichever comes first. With each Form 633-7 submission, the contracting officer shall perform or obtain verification (including assistance by audit or contract administration personnel) if he deems it necessary to satisfy himself of the reliability of the data in the light of his general knowledge of the product, the market and prior Government purchases. The access of the offeror's books and records granted by the form is limited to actual sales and other data directly pertinent to the factual basis for the exemption claimed and does not extend to cost, profit or other data solely relevant to the reasonableness of the catalog or proposed price. When exemption is based on an established catalog or market price, the contracting officer shall assure that all applicable criteria are satisfied. See 3-807.1(b)(2). Thus, when the proposed price is "*based on*" an established catalog or market price of a similar but not identical item, the contracting officer, by independent analysis, shall verify (i) that there is an established catalog or market price for the base item; (ii) that all significant differences between the base item and the contract item are identified; and (iii) that the price differential between the base item and the contract item is justified by price, not cost, analysis. (See 3-807.2(b))

(2) To minimize repetitive submission, Note 3 of DD Form 633-7 provides for furnishing a copy of a contractor or subcontractor catalog price exemption claim submitted within the previous year.

(3) When repetitive procurement of a catalog price item is anticipated, a Government purchasing office or the cognizant Contract Administration Office, when authority is delegated by the PCO for this purpose, may make special arrangements for submission of a catalog price exemption claim. Such submission need not be on a DD Form 633-7, but should include any data required thereby and should include or incorporate by reference all the applicable definitions, representations and rights included in the form. Government approval of the exemption claim shall set forth the effective period which shall not exceed one year and shall require the contractor to furnish any later information that might raise a question as to the exemption. Such approval may be extended to other Government purchasing offices with their concurrence.

(4) If before initiating a procurement, a contracting officer is already satisfied, on the basis of a recent prior submission by a prospective contractor, or of the contracting officer's own knowledge of the time, sources, prevailing prices or market conditions, or otherwise, that the prospective contractor has an acceptable established catalog or market price or price set by law or regulation for the item, he may, by a solicitation provision or otherwise, either dispense with the requirement for a DD Form 633-7 or limit the data required to be submitted by the form. For example, if the item is similar, only an explanation of a price differential may be needed, or if the fact of substantial sales to the general public is well known, only the actual sales prices but not the quantity of sales may be required.

(5) The foregoing subparagraphs and the instructions on DD Form 633-7 are intended to be controlling in practically all cases for the purpose of determining the applicability of an exemption. (See (f) above as to when cost or pricing or other data may be required for other pricing purposes not withstanding an exemption.) However, it is recognized that in exceptional cases because of special circumstances the relevant data may justify a catalog or market price exemption even though the prescribed criteria are not strictly satisfied in all respects. In such cases, if the contracting officer is satisfied, on the basis of a DD Form 633-7 or other submission, that an exemption should be made or considered, he may forward the matter to the Chief of the Purchasing Office who may authorize an exception on an individual or class basis. A copy of his authorization should be distributed as provided in 1-109.2. Government necessity and the offeror's resistance are not appropriate factors in considering such exception, but only the quantity and prices of actual nongovernment sales in relation to the sales and prices offered to the Government.

(6) The Form DD 633-7 is designed to obtain information required to permit the contracting officer to determine qualification of the item for exception to the requirements of Public Law 87-653. Additional information will normally be required, either from Government or industry sources, to permit adequate price analysis and to develop a negotiation objective. See 3-807.1(b)(2)*d* and 3-807.3(e).

(k) Negotiated final pricing actions such as total final price agreements under fixed price incentive and redeterminable contracts or termination settlement agreements under terminated contracts are contract modifications for which certified cost or pricing data is required in accordance with (a)(ii) above. A Cer-

tificate in accordance with 3–807.4 shall be submitted as soon as practicable after agreement is reached on the amount of the modification. A Certificate is required when the amount of the total final price agreement or of the final termination settlement agreement exceeds $100,000

DEPARTMENT OF DEFENSE FORMS

F-200.1499 *DD Form 1499: Report of Individual Contract Profit Plan*

REPORT OF INDIVIDUAL CONTRACT PROFIT PLAN				DEPARTMENT	
1. REPORT NUMBER	2. CONTRACT NUMBER			3. ACTION	
	a. ACTIVITY	b. FY	c. SERIAL NO.	YEAR	MONTH
4. PURCHASING OFFICE NAME				ITEM 4 CODE	
5. TYPE OF ACTION A. INITIAL AWARD B. SUBSEQUENT NEGOTIATION OF COST/PROFIT			5a. ORDER/MOD #	ITEM 5 CODE	
6. CONTRACTOR IDENTIFICATION A. COMPANY NAME B. DIVISION NAME *(If applicable)*				ITEM 6 CODE	
7. PRINCIPAL PLACE OF PERFORMANCE *(City—State)*				ITEM 7 CODE	
				CITY	STATE
8. FEDERAL SUPPLY CLASS OR SERVICE CODE				ITEM 8 CODE	
9. DEPARTMENT OF DEFENSE CLAIMANT PROGRAM NUMBER				ITEM 9 CODE	
10. TYPE OF CONTRACT *(ASPR Section III, Part 4)* A — FPR *(All types)*; J — FFP; K — FPI(E); L — FPI *(All types)*; R — CPAF; U — CPFF; V — CPIF *(All types)*				ITEM 10 CODE	

11. NEGOTIATION SUMMARY	CONTRACTOR	OBJECTIVE	NEGOTIATED
a. SUBTOTAL COST			
b. COST OF MONEY *(DD Form 1861)*			
c. TOTAL COST			
d. PROFIT OR FEE			
e. TOTAL PRICE			
f. CEILING PRICE *(If applicable)*			
g. COST OF MONEY RATE *(DD Form 1861)*			

12. WEIGHTED GUIDELINE PROFIT FACTORS *(DD Form 1547)*	MEASUREMENT BASE	PROFIT/FEE DOLLARS
a. CONTRACTOR EFFORT		
(1) MATERIAL ACQUISITION		
(2) ENGINEERING — DIRECT LABOR		
— OVERHEAD		
(3) MANUFACTURING — DIRECT LABOR		
— OVERHEAD		
(4) OTHER COSTS		
(5) GENERAL MANAGEMENT — G&A		
(6) PROFIT SUBTOTAL		
ADJUSTMENT FACTOR		X .7
(7) TOTAL EFFORT		
b. RISK		
c. CAPITAL EMPLOYED		
d. PRODUCTIVITY		
e. INDEPENDENT DEVELOPMENT		
f. OTHER		
g. TOTAL PROFIT OBJECTIVE		

13. DATE SUBMITTED	14. TYPED NAME AND SIGNATURE OF PROCURING CONTRACTING OFFICER OR REPRESENTATIVE	15. TELEPHONE NO.

DD FORM 1 SEP 77 1499 EDITION OF 1 SEP 72 IS OBSOLETE

F-200.1499

PROCUREMENT MANAGEMENT REPORTING SYSTEM

Part 3—Report of Individual Contract Profit Plan (DD Form 1499)

21-300 Scope and Purpose of Part. This Part prescribes the reporting on DD Form 1499 (set forth in F-200.1499) of cost and profit plans on contracts or contract changes of $200,000 or more negotiated by specified purchasing offices. The form provides a basis for analyzing profit patterns and weighted guidelines objectives on Defense contracts. As used in this Part, the term "cost" includes target cost as well as estimated cost, and the term "profit" includes fee as well as profit.

21-301 Applicability. DD Form 1499 shall be prepared by each purchasing office of (i) Army Materiel Command and Safeguard System Command; (ii) Air Force Logistics and Systems Commands; and (iii) Naval Air, Ship, Electronic and Ordnance Systems Commands. The form also shall be prepared by the following Navy activities of the Naval Supply Systems Command: Navy Aviation Supply Office, Philadelphia; Navy Ships Parts Control Center, Mechanicsburg; and Navy Purchasing Office in Los Angeles. Purchasing offices which are located outside the United States, its possessions, and Puerto Rico, and which are under the jurisdiction of the above-mentioned commands are exempt from this reporting requirement.

21-302 Coverage.

(a) A DD Form 1499 shall be prepared by the purchasing offices described in 21-301 above for each negotiation of a contractual agreement involving a separate cost and profit which together total $200,000 or more. This negotiated total may, but need not necessarily, agree with the amount obligated by the contractual instrument. The instrument may be a new definitive contract, an indefinite delivery type contract, the definitization of a letter contract, or order under a basic ordering agreement, a supplemental agreement, or any other action in which the contracting officer and contractor negotiate an estimated cost and profit. If in connection with a fixed price type contract or contract modification, the contracting officer requires the contractor to submit cost or pricing data pursuant to 3-807.3, a DD Form 1499 shall be prepared for such action showing the contracting officer's best estimate of cost and profit.

(b) If more than one profit rate applies to a negotiation, and the amount for each rate is $200,000 or more, a separate DD Form 1499 shall be used to report data for each rate. If the dollar amount for any profit rate of a multi-rate negotiation is less than $200,000, the data for the amount below $200,000 shall not be reported. If the separation of a contract into different rates produces no portion of $200,000 or more, a report on DD Form 1499 shall not be submitted.

(c) If any reportable negotiation includes a cost or cost-sharing portion or a firm fixed price portion not reportable pursuant to (a) above, such portion shall not be reported on DD Form 1499. If the application of this provision fragments an action so that an otherwise reportable portion is less than $200,000, that portion shall not be reported on DD Form 1499.

(d) A DD Form 1499 shall be submitted if the above conditions are met even though (i) price competition was used, (ii) weighted guidelines were not used, or (iii) a supplemental agreement involving cost and profit was executed without changing the profit rate applicable to the basic contract.

(e) If cost and profit are negotiated with the same contractor for two or more contracts as a package (*e.g.*, Air Force FPR aircraft engine contracts), a single DD Form 1499 may be submitted for all the contracts included in the package. One contract number shall be selected as the master for identification in Item 2 of the form, and the other contract numbers shall be listed in the "Remarks" section, Item 14.

21-303 Due Date and Distribution.

(a) Purchasing offices shall (i) prepare DD Form 1499 as soon as possible after the date of action, (ii) assemble the reports for the month of action, and (iii) forward such reports in duplicate within 10 days after the close of the month as follows:

(1) Army — Headquarters, U.S. Army Materiel Command, Attn: AMCRP-SC, Washington, D.C. 20315.

(2) Navy — Headquarters, Naval Material Command, Attn: MAT 0214, Washington, D.C. 20360.

(3) Air Force — 2750 AB Wg/ACDPL, Wright-Patterson Air Force Base, Ohio 45433.

(b) Purchasing offices shall conduct sufficient review of the form and associated contract files prior to submission of DD Form 1499 to insure that all reportable transactions are reported, and that reports are complete and accurate. Such review, for example, should include examination by price analysts and by existing procurement review committees.

(c) DD Form 1499 shall be submitted as an unclassified document. Should the reporting office consider it necessary to apply a security classification to a DD Form 1499, a communication relating the reasons for such classification shall be submitted to the Office of the Assistant Secretary of Defense (Comptroller), Attn: Directorate for Information Operations, through the appropriate organization in 21-303(a) above. In no case shall security classification be considered a reason for not reporting on DD Form 1499.

(d) The reporting requirements of this part are assigned RCS-DD-I&L(M)1215.

21-304 Specific Entries on DD Form 1499.

(a) *Department.* Enter Army, Navy or Air Force, as appropriate.

(b) *Item 1, Report No.* Each purchasing office which is identified by a separate number in the Item 4 code block shall enter a four-digit number assigned consecutively starting with 0001 at the beginning of each fiscal year. This number shall be followed by the last two digits of the fiscal year. Numbers with less than four significant digits shall be preceded by zeros; *e.g.*, the fourth report in fiscal year 1973 would be numbered 0004-73. This number identifies a specific DD Form 1499 and is not related to any DD Form 350 number.

(c) *Item 2, Contract No.* Enter the contract number in the same manner as prescribed for DD Form 350 in 21-108.

(d) *Item 3, Date of Action.* Enter in numeric terms the year and month (*e.g.*, 73-03 for 1973 March) when a mutually binding agreement was reached as to the estimated cost and profit. For example, this may be the date when (i) a new definitive contract was awarded, (ii) a letter contract was definitized, (iii) a supplemental agreement was executed, (iv) a change order was definitized, etc.

(e) *Item 4, Purchasing Office Name.* Enter the name of the purchasing office submitting the report, and enter in the Item 4 code space, the symbol or number assigned to that purchasing office in DoD Procurement Coding Manual, Volume III.

(f) *Item 5, Type of Action.* Enter Code A for the first reportable action pertaining to a contract, *i.e.*, the award of a new definitive contract, a definitive contract superseding a letter contract, or an indefinite delivery type contract. Enter Code B for all other types of actions including orders under basic ordering agreements. Enter in Item 5a order, supplemental agreement or other numbers that will assist in identifying a Code B subsequent profit negotiation.

(g) *Item 6, Contractor Identification.* Enter the complete name of the concern and, if applicable, the name of the division to which the award was made. Enter in the Item 6 code space the first six digits of the contractor code as shown in the DoD Procurement Coding Manual, Volume II. If the contractor is not listed in the manual, no code shall be entered by the purchasing office.

(h) *Item 7, Principal Place of Performance.* Enter the actual location of the plant or place of business where the items will be produced or the service rendered in accordance with instructions prescribed in 21-113 for DD Form 350. Also enter in the Item 7 code spaces the city and state codes shown for the contractor at the specified location in the DoD Procurement Coding Manual, Volume II. If the contractor's name is not listed in the manual, or is listed for a location or locations other than the one reported, no code shall be entered by the purchasing office.

(i) *Item 8, Federal Supply Class or Service Code.* Enter the appropriate Federal Supply Class or Service Code from the DoD Procurement Coding Manual, Volume I, Section I.

(j) *Item 9, DD Claimant Program No.* Enter the code from the DoD Procurement Coding Manual, Volume I, Section III, which describes the commodity or service called for by the contract.

(k) *Item 10, Type of Contract.* Enter only one of the codes, A, J, K, L, R, U, or V, to show the pricing provisions applicable to the reported action. If more than one type of pricing applies to a single negotiation, the provisions of 21-302(c) and (d) are applicable. That is, separate DD Forms 1499 shall be prepared for each type of pricing involving a cost and profit totaling $200,000 or more; DD Forms 1499 shall not be prepared for (i) types of pricing with less than aggregate cost and profit of $200,000, (ii) cost-no-fee or (iii) firm-fixed-price without a negotiated cost and profit.

(l) *Item 11, Weighted Guidelines.* (See 3-808.2.) If weighted guidelines are used, enter in the Item 11 space the percentages applicable to *a.* through *e.* and enter also the profit objective in Item 11f, which is the sum of *a* through *e*. *If any of the factors is negative, enter a minus sign (−) before the percentage. If weighted guidelines are not used in arriving at the purchasing office profit objective, omit entries for Items 11a* through 11*e*, but enter the profit objective as Item 11*f*. All percentages shall be entered to the nearest tenth of a point. For example, 12.25% shall be reported as 12.3%, and 12.24% shall be reported as 12.2%.

(m) *Item 12, Contract Capital Employed.* (See 3-808.7.) If the contractor capital employed method is used, enter in Item 12 the data called for by a

through d. Items 12.a(1) through (4) must total 12.a(5). All data must agree with the preceding DD Forms 1861 and 1547.

(n) *Item 13, Contractor's Proposed Profit/Fee Objective.* Enter to the nearest tenth of a point the profit or fee percentage proposed by the contractor.

(o) *Item 14, Estimated Amounts Negotiated.*

(1) Enter in the Item 14 spaces the estimated cost as 14a and the estimated profit as 14b. These entries shall be to the nearest whole dollar; do not show cents, or make entries involving the cents positions. For example, $268,035.54 shall be entered as $268,036, and not as $268,036.00; $200,500.49 shall be entered as $200,500. Enter in the Item 14c space the percentage derived by (i) dividing the entry in 14b by the entry in 14a to four decimal places, (ii) multiplying the result by 100 and (iii) rounding to the nearest tenth of a point. For example:
$55,000 Profit divided by $385,000 Cost and multiplied by 100 equals 14.28% which would be entered as 14.3%.

(2) If the capital-employed method was used, enter in Item 14d the percentage derived by dividing 14b by 12a(5) to four decimal places, multiplying the result by 100 and rounding to the nearest tenth of a point. For example:
$55,000 profit divided by $130,000 capital and multiplied by 100 equals 42.31%, which would be entered as 42.3%.

(3) Enter in Item 14e, the nearest whole dollars, any 'Profit Factor for Additional Contractor Investment' included in Item 14b. See Item II of this DPC for an explanation of this factor.

(4) The cost and profit entries in Item 13 shall reflect the entire reportable amounts negotiated in the contractual agreement rather than merely the portions obligated. Thus, "total package" and other awards contemplating incremental funding shall be reported at total negotiated cost and profit at the time of initial award, rather than at the amounts initially obligated. However, amounts applicable to options for additional quantities, shall be excluded from the Item 13 entries unless and until the options are exercised. When options are exercised, a report shall be submitted on the action.

(5) For indefinite delivery type contracts, the amounts reported shall reflect the best estimate of the annual requirement.

(6) For CPAF contracts (Code R in Item 10), Items 13b and 13c shall not include any portion of the award fee to be determined at contract completion. Therefore, the profit/fee percentage in Item 13c should reflect the minimum percentage to be received by the contractor.

(p) *Item 15, Date Submitted.* Enter the date when the purchasing office submitted the DD Form 1499.

(q) *Item 16, Type Name and Signature of Contracting Officer or Representative.* Self-explanatory.

(r) *Item 17, Telephone Extension.* Enter the telephone extension of the person whose name appears in Item 16.

(s) *Remarks.* Asterisk any unusual entries, and explain on the back of the DD Form 1499. For example, a negotiated profit or fee (Item 14.c) that is *lower* than the government objective (Item 11.f or 12.e) or *higher* than the contractor's proposal (Item 13) should always be explained.

PROCUREMENT MANAGEMENT REPORTING SYSTEM

(1) If any entries are made in Items 12 and 14d for capital employed, see the additional reporting requirements of 3-808.7(1).

LIST OF ABBREVIATIONS, ACRONYMS, AND SYMBOLS

1. Free on Board (F.O.B.) Origin--ASPR 19-208.2 and 7-104.70
2. Free on Board (F.O.B.) Destination--ASPR 19-208.3 and 7-104.71
3. Contract Administrative Office (CAO)
4. Administrative Contracting Officer (ACO)
5. Procuring Contracting Officer (PCO)
6. Defense Contract Administration Service (DCAS)
7. Air Force Plant Representative Office (AFPRO)
8. Military Traffic Management Command (MTMC)
9. United States Army Finance Support Agency (USAFSA)
10. Freight Information System (FINS)
11. First Destination Transportation (FDT)
12. Second Destination Transportation (SDT)
13. Government Bill of Lading (GB/L)
14. Transportation Automated Rates System (TARS)
15. Foreign Military Sales (FMS)
16. Return on Investment (ROI)
17. Amending Shipping Instructions (ASI)
18. Air Force Business Research Management Center (AFBRMC)
19. Freight All Kinds (FAK)