



**BEFORE THE  
GENERAL SERVICES ADMINISTRATION  
OFFICE OF GOVERNMENT-WIDE POLICY (OGP)**

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**FMR Case 2015-102-2; Docket 2015-0014; Sequence 1**

**RIN 3090-AJ59**

**FEDERAL MANAGEMENT REGULATION (FMR); TRANSPORTATION PAYMENT AND AUDIT**

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**COMMENTS OF  
NATIONAL MOTOR FREIGHT TRAFFIC ASSOCIATION, INC.**

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## **I. INTRODUCTION**

The National Motor Freight Traffic Association, Inc., (“NMFTA”) submits these comments in response to a request for comments on a proposed rule published in the Federal Register on October 1, 2015, entitled “Federal Management Regulation (FMR); Transportation Payment and Audit”. With this notice, the General Services Administration’s Office of Government-wide Policy (OGP) is proposing a rule change to amend the Federal Management Regulation (FMR) relative to Transportation Payment and Audit, by clarifying agency and Department of Defense (DoD) transportation payment and audit requirements. GSA is also proposing to amend relevant definitions as a result of these proposed amendments.

## **II. STATEMENT OF INTEREST**

NMFTA is a nonprofit membership organization headquartered at 1001 North Fairfax Street, Suite 600, Alexandria, VA 22314. Its membership is comprised of approximately 600 motor carriers operating in interstate, intrastate and foreign commerce primarily specializing in the transportation of less-than-truckload (LTL) quantities of freight. NMFTA’s mission is to serve as a research and development organization providing the transportation industry with the necessary information to advance and improve their interests and welfare. NMFTA is committed to helping the motor carrier industry meet transportation challenges through research, education, and publication of specifications, rules, transportation codes and the preparation and dissemination of studies, reports and analyses. NMFTA owns, assigns and maintains the National Motor Freight Classification (NMFC), Standard Carrier Alpha Codes (SCAC) and Standard Point Location Codes (SPLC), all sets of standards used by GSA and/or the DoD.

## **III. COMMENTS**

The Notice proposes changes to the transportation prepayment and postpayment audits policies, and covers FMR Part 102-118 Subparts A, D and E, resulting in the proposed rule. The proposed rule also includes updates to definitions resulting in amendments to FMR part 102-118. We find some terms and definitions do not comply with the clarity the Notice seeks to advance. NMFTA offers these comments to advance the interests of the Government and the motor carrier industry.

- A. Sections 102-117.25 and 102-118.35 contain a definition of Declared Value that reads, in part, as follows: “*Declared value*, sometimes referred to as released value, means the assigned value of the cargo for reimbursement purposes and is stated in dollars. *Declared value* may be more or less than the actual value of the cargo. The *declared value* is the maximum amount that could be recovered by the agency in the event of loss or damage for the shipments of freight and household goods...”

The terms declared value and released value are neither synonymous nor recognized as such in the transportation industry. A carrier establishes released value provisions with the intent of the shipper agreeing to a lesser value for the cargo shipped in return for a lower rate for transportation. Declared value assigns a value to the cargo in order to authenticate loss and damage liability limitations on the cargo that was shipped. Furthermore, it is inequitable to define declared value as a price that could be “more” than the actual value of the cargo. In commercial practice, a transportation service provider (TSP) will not pay a loss and damage claim in excess of the actual value of the cargo transported.

- B. Section 102-118.35 contains a definition of *Claim* as “(1) Any demand by an agency upon a Transportation Service Provider (TSP) for the payment of overcharges, ordinary debts, fines, penalties, and administrative fees, special charges, and interest; or (2) Any demand by the TSP for amounts not included in the original bill that the TSP believes an agency owes them. This includes amounts deducted or offset by an agency; amounts previously refunded by the TSP, which is believed to be owed; and any subsequent bills from the TSP resulting from a transaction that was prepayment or postpayment audited by the GSA Transportation Audits Division.”

In the transportation industry, the term claim is generally used in the context of claims for the payment of overcharges or claims for loss and damage. The other terms for demands for payment by the TSP to the Government or amounts the TSP believes an agency owes them should not be included in this definition and would be better defined separately.

- C. Section 102-118.35 contains a definition of *Government Transportation Request (GTR)* that reads, in part, “...a Government document used to procure common carrier transportation services. A common carrier is a carrier offering its services at published rates to all persons for

interstate transportation. The document obligates the Government to pay for transportation services provided.”

As far as interstate motor carrier transportation is concerned, the term “common carrier” is no longer defined in Title 49 U.S.C., Section 13102. Former common carriers are now referred to as “motor carriers”. We suggest using the description “motor carrier” or “TSP”, which is used elsewhere in these regulations. Additionally, this definition uses the term “interstate transportation”. Since the Government can procure intrastate transportation with a GTR, it would make sense to leave off the word “interstate” in the definition.

- D. Section 102-118.35 defines *Standard Carrier Alpha Code (SCAC)* as “... the unique four-letter code used to identify American-based motor transportation companies assigned by the National Motor Freight Traffic Association, Inc. Their Web address is <http://www.NMFTA.org>.”

The Standard Carrier Alpha Code (SCAC) is actually a two-to-four letter identification code assigned to all modes of transportation companies worldwide by the National Motor Freight Traffic Association, Inc.

- E. Section 102-118-285(k)(1) reads, in part “...standard carrier alpha code (SCAC)...” Standard Carrier Alpha Code is a proper noun and should be capitalized.
- F. In Section 102-118.290, the question “Must my agency notify the TSP of any adjustment to the TSP Bill?” is answered in part (b)(4) “SCAC or other agency identifier for the carrier, such as the Department of Defense Activity Address Code (DODAC) number”.

The DODAAC is not used to identify TSPs. The Defense Logistics Agency defines a DODAAC as “...a six-character, alpha-numeric code that uniquely identifies a unit, activity, or organization within the DoDAAD [Department of Defense Activity Address Directory]. A unit, activity, or organization may have more than one DoDAAC for different authority codes or purposes. Each activity that requisitions, contracts for, receives, has custody of, issues, or ships DoD assets, or funds/pays bills for materials and/or services is identified by a six-position alphanumeric DoDAAC.” Deleting reference to the DoDAAC would be appropriate.

The answer in Section 102-118.425 at (b)(12) also incorrectly references the DODAAC as a carrier identifier.

**IV**      **CONCLUSION**

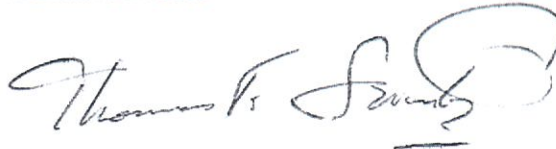
NMFTA appreciates the opportunity to comment on the provisions of the Federal Management Regulations relating to transportation payment and audit. Supplying transportation services can be challenging without a precise set of rules. Our proposed revisions to current and proposed amendments to the regulations are offered to help create an effective, efficient and beneficial transportation system, and are in keeping with best commercial practices.

Respectfully submitted,

NATIONAL MOTOR FREIGHT  
TRAFFIC ASSOCIATION, INC.



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November 20, 2015