Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: American International Moving, Corp.

File: B-247576.9

Date: August 2, 1995

DIGEST

1. Carrier's speculation as to value of item of household goods and preexisting damage, which item carrier did not inspect, does not overcome carrier's liability or reasonableness of Air Force's assessment of damages.

2. Carrier is not relieved of liability for damage to household goods where service member is reimbursed by private insurance carrier and, under Air Force Regulation, Air Force does not have to reimburse insurance carrier because amount does not exceed $25.

3. Interest on transportation claims is a matter for Boards of Contract Appeals under Contract Disputes Act and not the General Accounting Office.

DECISION

American International Moving, Corp. (AIMC) requests review of our Claims Group's settlement regarding the Air Force's setoff of moneys otherwise owed to AIMC to recover transit damages to a service member's household goods.[1]

AIMC transported the household goods of Colonel David L. Hofstadter from Montgomery, Alabama, to Tinker Air Force Base, Oklahoma, with delivery on July 30, 1992. The Air Force found that AIMC's liability for transit related damages was $588.21 which was later reduced by the Air Force to $435.

AIMC disputes the $410 assessed for a leather reclining chair which had to be re-covered because of a rip in the leather and a loose left arm. AIMC argues that the chair had preexisting damage and that the cost of repair exceeds the

[1]This shipment moved under government bill of lading No. RP-874,937 and has been assigned AF Claim No. 1M/D/WWYK/92/01349/CR.

depreciated value of the chair and that the Air Force has made mere allegations, not supported by facts, regarding the damage.

However, AIMC offers nothing in the way of factual evidence to support its allegations and we note that AIMC failed to avail itself of its right to inspect the damaged item. American Van Services, Inc.—Reconsideration, B-249834.2, Sept. 3, 1993. Accordingly, we affirm the Claims Group settlement.

Regarding a lost wine rack, AIMC states it should not have to pay the $25 damages because the service member was reimbursed by his private insurance carrier who subrograted its rights to the Air Force. Additionally, because of the private insurance, the Air Force did not have to pay the damages to the member and, in accordance with Air Force Regulation 112-1 ¶ 6-70(a)(2), the Air Force did not reimburse the private insurer because the amount does not exceed $25.

When a prima facie case of carrier liability has been established, the above cited regulation contemplates the Air Force collecting the money from a carrier no matter what the amount of the loss since the carrier is liable. The Air Force's ultimate disposition of the funds does not affect the carrier's liability.

Finally, AIMC requests interest on the $153.21 which was initially set off in July 1993 and then refunded in October 1994, after an Air Force review of the amount of damages.

This Office cannot consider the claim for interest. The regulations governing the use of government bills of lading provide in 41 C.F.R. § 101-41.604-2(b)(6) that disputes involving interest in transportation claims are to be resolved in accordance with the Contract Disputes Act, 41 U.S.C. § 601 et seq. In this context, the Armed Services Board of Contract Appeals would decide AIMC's claim for interest if the Air Force denies it. B-221578, Sept. 29, 1987.

We affirm the action of the Claims Group.

/s/ Seymour Efros
for Robert P. Murphy
General Counsel