



UNITED STATES
CIVILIAN BOARD OF CONTRACT APPEALS

May 10, 2021

CBCA 6965-RELO

In the Matter of MATTHIAS M.

Matthias M., Claimant.

Tracey Z. Taylor, Assistant Center Counsel, Humphreys Engineer Support Activity, United States Army Corps of Engineers, Alexandria, VA, appearing for Department of the Army.

O'ROURKE, Board Judge.

Claimant seeks \$2865.03 for moving his own household goods (HHG) pursuant to his permanent change of station (PCS). Because we find that the agency failed to conduct the required cost comparison and use the commuted rate, we grant the claim.

Background

When claimant transferred duty stations within the United States, he moved his own HHG. His PCS orders permitted this, but limited reimbursement to “the lesser of actual expense of the cost the Government would have incurred had the goods been shipped by GBL [Government Bill of Lading].” The old and new duty stations were 875 miles apart. He used personal vehicles and a rental truck to transport his HHG, which weighed 17,720 pounds. He submitted all of the required information with his travel voucher, but was not reimbursed for the full amount. Claimant requested the Board’s review of the partial denial.

Discussion

The Board addressed the same scenario in *Katelyn J. Rebbe*, CBCA 5645-RELO, 17-1 BCA ¶ 36,761. In that case, as in this one, the agency selected the actual expense method

for reimbursement rather than the commuted method, which was contrary to regulation. As we explained in *Rebbe*:

The agency could authorize one of two methods in connection with the movement of HHG: the actual expense method (under which the agency assumes the responsibility for arranging and paying for all aspects of transporting household goods with a commercial carrier) or the commuted rate method (under which an employee assumes total responsibility for arranging and paying for services, including packing/unpacking, crating/uncrating, pickup/delivery, and weighing, with or without a commercial carrier of the employee's choosing) and the agency reimburses the employee at a set rate based upon mileage and the actual weight of the HHG.

The Federal Travel Regulation (FTR) instructs agencies on how to determine which method to authorize:

§302-7.401 - What method of transportation and payment should we authorize for shipment and temporary storage of HHG?

There are two methods of arranging and paying for shipment of HHG . . . actual expense and commuted rate. *You must authorize actual expense or commuted rate, depending on which is less costly to the Government. You must then specify the selected method on the relocation travel authorization.*

41 CFR 302-7.401 (emphasis added).

Here, the actual expense method would have cost the Government \$10,865.23, whereas the commuted rate method cost \$8098.04. Despite the fact that claimant's orders indicated that a cost comparison had been done, the agency erred in authorizing the actual expense method because the commuted rate method was less costly to the Government. As such, the agency should have authorized the commuted rate method on claimant's orders and paid him accordingly. *Larry D. Lewis*, CBCA 782-RELO, 07-2 BCA ¶ 33,687. Instead, it paid claimant a lesser amount based on submitted receipts.

In response to claimant's appeal to the Board, the agency stated: "If a Government move is authorized but the civilian employee chooses to move him or herself, then the Government reimburses only the actual expenses, limited to what it would have cost the Government to ship the HHG." The agency added that "if the civilian employee is authorized to arrange his or her own transportation, reimbursement is based on the GSA

commuted rate table, regardless of the actual cost of the move.” Applying its understanding of these provisions, the agency concluded:

Claimant’s travel orders only offered a move organized by the agency. Transportation via commuted rate was not authorized. Despite this, claimant elected on his own for a self-move. His orders notified him that he would be reimbursed up to the lesser amount of either the actual expenses or the cost that the agency would have incurred if the goods had been shipped by GBL.

The agency misinterprets the regulation. “Actual expense” in these circumstances is what the Government would have paid had it shipped claimant’s HHG, *not* claimant’s actual expenses. More importantly, however, the agency failed to comply with the provision of the FTR that requires agencies to authorize the least costly method of moving an employee’s HHG. If we were to accept the agency’s interpretation of the regulation, there would be no cost incentive for an employee ever to move his or her own HHG, and consequently, no occasion for the Government to benefit from the concomitant savings. *See Richard L. Beams*, CBCA 2370-RELO, 12-1 BCA ¶ 35,044 (2011), *reconsideration denied*, 13 BCA ¶ 35,274 (“The FTR has made clear as a matter of general policy that where an individual transfer within the continental United States is involved, a commuted rate is preferred, principally because the Government is spared the various administrative expenses associated with an actual expense move” (citing *Mark W. Miller*, GSBCA 16497, 05-1 BCA ¶ 32,915)). For these reasons, the Board’s decision in *Rebbe* is the one we adopt here:

The agency’s selection of the actual expense method for the shipment of HHG was contrary to regulation. . . . Given what a proper estimate comparison would have revealed, the agency was required to select the commuted rate method. Under that method, the claimant is entitled to payment calculated using the actual weight of HHG transported and the rate in the commuted rate table applicable on . . . the date of reporting to the new duty station.

As long as a proper cost comparison showed that claimant’s shipment of HHG using the commuted rate was cheaper, then the agency was obligated to authorize it and pay it.

Decision

The agency shall pay claimant consistent with this opinion.

Kathleen J. O'Rourke
KATHLEEN J. O'ROURKE
Board Judge