



**U.S. DEPARTMENT OF TRANSPORTATION  
FEDERAL AVIATION ADMINISTRATION**

Mike Monroney Aeronautical Center  
Oklahoma City, Oklahoma

**AC 2700.1C**

Effective Date:  
June 30, 2008

**SUBJ: Payment of a Specific Type of Commercial Freight Bill**

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**1. PURPOSE.** This order updates instructions for processing payments of a specific type of commercial freight bill.

**2. DISTRIBUTION.** This order is distributed to the unit level in the FAA Logistics Center (AML 1070-FTE) and to the Accounting Division/Accounts Payable (AMZ-110) for redistribution.

**3. CANCELLATION.** Order AC 2700.1B is canceled.

**4. BACKGROUND.**

a. Normally when Government property is given to a commercial (non-Government) carrier for transportation to another point, a Transportation Service Order (TSO), is issued. A TSO is evidence that title to the property belongs to the Government and also sets out conditions and responsibilities for the handling of the property and for delivery to a consignee identified on the TSO. Under certain conditions, by formal agreement with a commercial carrier, the necessity of preparing a TSO for each item shipped is eliminated. In the agreement, the carrier promises to abide by the terms, which are stated and the applicable regulations referred to in a formal TSO. Authority for the FAA to enter into such agreements is given by the GAO Manual for Guidance of Federal Agencies, Title 5, Transportation, Section 3017, and Title 41 CFR, Section 101.

b. The AML-1000 has entered into this type of agreement with carriers, and other such agreements may be formed. The following procedures give instructions for payment of carriers under this type of agreement. Payments to other freight and express companies and to the U.S. Postal Service are processed in accordance with other directives.

**5. PROCEDURES.**

a. AML 1070-FTE prepares commercial freight bills for parcels to be shipped on forms which identify the carrier. In some instances, the parcels may be listed showing the serial number assigned to the parcel and other identifying information such as the destination and transportation costs.

b. In other instances, metering devices may be used for assigning shipping costs and serial numbers to parcels, and photographic equipment used to record details about items shipped to be used for follow-up records and history. When these are used, summary pick-up sheets are prepared to cover shipments by the applicable carrier.

c. AML 1070-FTE will fill in the estimated total of freight charges for each commercial freight bill. All commercial freight bills shall be forwarded to AMZ-110 with either a stamp, "AMZ-110, OBLIGATION COPY," or under a separate cover letter bearing a certification similar to the following:

I certify that the packages identified on the enclosed documents have been delivered to (Name of Carrier) \_\_\_\_\_ in good condition for delivery to designated consignees.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

AML 1070-FTE also delivers copies of the commercial freight bills to the carrier as the outgoing freight is picked up.

d. Periodically, the applicable carrier bills the FAA for the freight picked up during the previous 7-day period. To support the billings, copies of the duplicate commercial freight bills or sufficient documentation and identification, depending on the carrier's billing procedures, are presented for payment. Bills are sent to:

FAA Accounts Payable Branch, AMZ-110

P.O. Box 25710

Oklahoma City, OK 73125

e. AMZ-110 matches the commercial freight bills received from AML 1070-FTE with information supplied from carriers. Payments are directly disbursed through DELPHI. Our schedule payments are filed in administrative files for subsequent audit. The original billing copies from carriers are forwarded to GSA (General Services Administration-SOC in Herndon, VA) for full audit by GSA.

f. AMZ-110 shall send any bills from carriers, which are not in agreement with the corresponding TSO from Traffic-AML 1070-FTE. The carrier and AML 1070-FTE will work out the differences in billing totals.

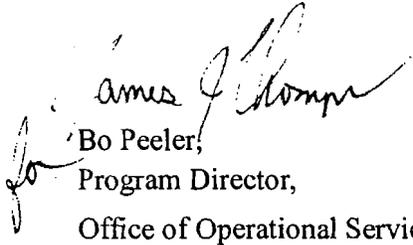
Normally the items transported under these agreements are small and the freight charges for each item are less than \$100. Occasional exceptions to this must not exceed \$100 by an unreasonable amount. Items on which freight charges are significantly more than \$100 shall not be shipped by this method, and must be covered by a TSO. AMZ-110 will notify AML 1070-FTE Traffic Division if violations of this criterion are noted (i.e. FedEx & UPS).

g. Standard Form 362, U.S. Government Freight Loss/Damage Claim, will be completed

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by AML 1070-FTE Traffic Division and forwarded to Accounts Receivable (AMZ-310) for lost or damaged items. Billings for these losses will be processed in the same manner as other freight claims.

  
Bo Peeler,  
Program Director,  
Office of Operational Services, AMZ-1