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NOTE: This revision was an extensive revision of the entire procedure, therefore no revision number is noted in the right margin.

I. PURPOSE

To define the process for filing loss or damage claims with carrier when the value of the lost or damaged material is in excess of one hundred dollars ($100).

II. APPLIES TO

This procedure applies to personnel in the Laboratory Logistical Services Division.

III. OTHER DOCUMENTS NEEDED

- Claims Register, TPM-CL-001, Rev. 0
- Indemnity Agreement, TPM-CL-002, Rev. 0
- Notice of Claim, TPM-CL-006, Rev. 0
- ORNL-19, Shipping Order
- SF-362 U.S. Government Freight Lost/Damage Claim (http://www.gsa.gov/forms)
- Standard Form for Presentation of Loss and Damage Claims, TPM, CL-003, Rev. 0
- Year-End Claims and Status Report, TPM-CL-005, Rev. 0

NOTE: As authorized by the Department of Energy (DOE) claims against carriers for lost and damaged materials in the amounts of one hundred dollars ($100) or less will be charged off to the appropriate division accounts.

IV. INSTRUCTIONS (Excludes Credit Cards and AVID Shipments)

A. Receiving Incoming Material

NOTE : The Receiving Section in the Materials Management Organization (MMO) is responsible for the following activities:

- Receipts of all incoming shipments.

- Notifying Transportation Operations in the Transportation and Packaging Management Organization (TPM) when damaged material or a shortage is acknowledged.

- Storing damaged material in a designated area.

- Noting visible damage, shortage, etc., discovered at the time of receipt on the freight bill.

- Obtaining the signature of the carrier's agent (driver) on the freight bill acknowledging visible damage, shortage, etc. The signature of the carrier's agent (driver) is used to support subsequent claims.

- Noting any concealed damage identified during uncrating and counting on the Receiving Report.

NOTE : Damage or loss discovered after initial receipt should also be reported. However, the concealed damage liability limitations make it difficult to establish carrier liability after 15 days and/or after material has been moved from Receiving.

1. Transportation Operations

a. **WHEN** notified by Receiving of any damaged conditions of an incoming shipment, **THEN** performs preliminary inspection of the damaged material.

b. For shortages on freight bill, contacts carrier for tracing and if not located in a reasonable amount of time will file claim.

c. Contacts carrier concerning lost or **concealed** damaged material via phone with a completed TPM-CL-006, Notice of Claim, (Exhibit A) to follow within 30 days **of phone notification**.

d. Posts the appropriate data from the preliminary inspection to TPM-CL-001, Claim Register, (See Exhibit B) corresponding with the next assigned claim number.

B. Determining the Disposition of Damaged and Lost Material – FOB Shipping Point – Other than UPS and Parcel Post

1. Disposition of Damaged Material

a. Transportation Operations

(1) Notifies Procurement and the recipient of damage.

(2) Sets a date for inspection of material with the carrier.

NOTE 1: The acknowledged freight bill may contain enough information for the carrier to issue a report in lieu of actual inspection requirements. However, the carrier may require a detailed joint inspection (carrier form) when significant values are involved. In any case, a copy of the freight bill must accompany the claim.

NOTE 2: Concealed damages may require a joint inspection with the delivering carrier's agent and a Transportation Operations representative. The carrier's agent completes an inspection report, noting details of the damage and desired disposition of the material. The report is reviewed and signed by both parties. Two copies of the report are utilized for subsequent claim action.

NOTE 3: The joint inspection report is not an acknowledgement of the carrier's liability, but merely a statement of fact. If a carrier refuses to make a joint inspection, Transportation Operations must submit a report in lieu of the carrier's document.

NOTE 4: During inspection of the material, a determination is made regarding the reparability of the damage.

NOTE 5: Documented approval by purchaser is required prior to furnishing any services or material connected with the repair of the item. Under no circumstances will the cost of repair or replacement exceed the original cost of the material.

(3) **If** damaged material is repairable, **THEN** consults with the Fabrication and Services Division personnel to determine the economy and feasibility of repairing the material with the installation.

2. Damaged Material Returned to the Vendor for Repair

NOTE: Material returned to the vendor for repair must be cleared with the carrier involved. A purchase requisition is prepared by Procurement for the necessary labor and material, including nature of the damage, complete material description, and cross-reference to the original purchase order. The purchase requisition should include a statement requesting the vendor to furnish Transportation Operations with a copy of the invoice reflecting labor, material, and other related repair cost.

Procurement is responsible for arranging with the vendor for repair of the material and issuing a new Purchase Order or Purchase Change Notice for necessary labor and materials. Procurement then prepares ORNL-19, Shipping

Order, for the return and forwards it to Shipping for assignment of a Shipping Order number and returning the material.

a. Transportation Operations

(1) When Shipping receives ORNL-19, Shipping Order, the material is packaged and returned to vendor.

NOTE: WHEN the repaired material is returned, **THEN** Receiving processes the receipt through SAP.

(2) **IF** an invoice for repairs is not received from the vendor, **THEN** request copies of the vendor's invoice covering the labor and material costs related to the repair service from Accounts Payable.

(3) Completes the TPM-CL-003, Standard Form for Presentation of Loss and Damage Claim, (Exhibit C) and the Indemnity Agreement (Exhibit D) upon receipt of the appropriate costs of repair.

NOTE: Necessary transportation costs must be included in the claim cost.

(4) Enters the appropriate information in the TPM-CL-001, Claim Register. (See Exhibit B.)

(5) Attach supporting documentation to the TPM-CL-00, Standard Form for Presentation of Loss and Damage Claims, prior to submitting the formal claim to the carrier.

(6) Signs and submits the formal claim, along with attachments, to the carrier's central claim office or local terminal office.

NOTE: Copies of all documents related to the claim are placed in an open claim file and checked periodically for final settlement.

2. Damaged Material - Replacement

NOTE 1: Procurement is responsible for issuing a new Purchase Order or Purchase Order Change Notice. The account charged on the original purchase order is charged on the new requisition.

NOTE 2: Accounts Payable is responsible for providing a copy of the vendor's invoice or purchase order covering the original material cost. The necessary

documents are obtained and a formal claim processed as identified in Section B.2., Damaged Material Returned to Vendor for Repair, Steps 1 through 6.

NOTE 3: The carrier is billed for the full cost of the damaged material, and the damaged material may be claimed by the carrier. If the carrier claims the material, a Shipping Order is prepared and signed by the carrier's representative. A copy is filed in the related purchase order and claim files.

a. Transportation Operations

(1) Contacts Procurement to request a purchase requisition for the replacement items.

3. Damaged Material Repaired In-House

NOTE 1: Transportation Operations, Procurement, the purchaser of the material, and the carrier determine when it is expedient and economical to repair damaged material.

NOTE 2: Upon request, Central Accounting is responsible for furnishing Transportation Operations a memo invoice, in duplicate, summarizing the labor, material, and overhead costs supported with the necessary labor and material detail.

a. Transportation Operations

(1) **WHEN** the repair work is completed, **THEN** contacts Receiving to charge the cost of the original material to the account of the using department.

4. Damaged Material – Carrier's Disposition

NOTE: Transportation costs associated with this material are included in the claim.

a. Transportation Operations

(1) **WHEN** the carrier's representative requests ORNL to release the material, **THEN** completes ORNL-19 to document the transaction.

5. Disposition of Material with No Salvageable Value

NOTE: If the material has no salvageable value, the carrier will frequently instruct Transportation Operations to scrap the items. Notation of disposition is made in the claim folder to document the disposal action.

a. Transportation Operations

(1) **WHEN** instructed by a carrier to scrap an item with no salvageable value, **THEN** arranges prompt disposition as appropriate, generally within 30 days.

6. Lost Materials and Shortages

a. Transportation Operations

(1) **WHEN** notified that a shipment is overdue and action is required, **THEN** initiates tracing action to locate the shipment.

NOTE: Accounts Payable is responsible for processing payment to the vendor and forwarding two certified copies of the invoice, if available, to Transportation Operations. Claim action is initiated as described in Section B.2, Damaged Material to be Returned to the Vendor for Repair, Steps 3 through 6.

C. Determining the Disposition of Damaged and Lost Material - FOB Destination - Other Than UPS, Parcel Post, and Air Shipments

1. Damaged Material Returned to Vendors

NOTE 1: As a service to the vendor, ORNL accumulates pertinent documents on damaged material shipped FOB destination.

NOTE 2: The damaged portion of the shipment is charged by Receiving to the account shown in SAP. The vendor files **a** claim with the carrier, and **the carrier** decides disposition of the damaged material.

a. Transportation Operations

(1) Prepares a claim folder for the accumulation of pertinent documents relative to the damaged material.

(2) Forwards a letter to the vendor with the bill and any supporting documentation noting the vendor's responsibility to initiate claim action.

(3) Retains a copy for the claim file.

NOTE: Procurement is responsible for preparing a Shipping Order for the return of the material or for providing appropriate disposition instructions.

(4) **IF** the material is to be destroyed, **THEN** retains written authority in the claim folder and arranges for appropriate disposition.

NOTE: If the shipment is to be reordered or replaced, Procurement is responsible for initiating the procurement action. No additional procurement document is necessary when the material is repaired or replaced at the vendor's expense. The second shipment is handled in the usual manner, as though the damaged material had not been received.

2. Damaged Material Repaired by ORNL

NOTE 1: Upon receipt of damaged material, Transportation Operations, Procurement, and the recipient will determine if the material is to be repaired by **ORNL** as outlined in Section B.3, Damaged Material Repaired In-House. Such material will only be repaired in emergency situations.

NOTE 2: Procurement is responsible for negotiations with the vendor via phone and letter.

NOTE 3: Procurement is responsible for providing a copy of the letter to Central Accounting as authority for billing. In cases where direct charge material shipped FOB destination is being repaired by **ORNL**, applicable costs are charged to the account shown on the procurement documentation.

a. Transportation Operations

(1) **IF** the material is to be reordered or replaced, **THEN** contacts Procurement to initiate the procurement action.

NOTE: No additional procurement documentation is necessary when the material is repaired or replaced at the vendor's expense. The second shipment is handled in the usual manner, as though the damaged material had never been received.

3. Shortage or Lost Material

NOTE: Procurement is responsible for notifying the vendor of the need to initiate tracers to locate lost material. Lost material will remain open on the procurement document, and the vendor will make another shipment to fulfill the contract. It is the vendor's responsibility to file a claim against the carrier.

a. Transportation Operations

(1) Prepares a letter to the vendor outlining conditions surrounding the lost shipment.

NOTE: Receiving is responsible for noting the shortage on the transportation bill or delivery ticket if the shipment is not complete when received. The actual quantity received is entered in SAP.

(2) Initiates appropriate action to reorder, replace, or cancel the short or lost portion of a shipment.

No additional Procurement document is necessary when the material is repaired or replaced at the vendor's expense.

(3) **IF** a shipment is located, **THEN** Receiving enters the quantity received into SAP.

D. Determining the Disposition of Damaged and Lost Material - Parcel Post

1. FOB Shipping Point

a. Transportation Operations

(1) **IF** the damaged material is to be repaired or replaced, **THEN** Transportation obtains prior approval from the claim agent and files claim for the repair or replacement cost.

2. FOB Destination

a. Transportation Operations

(1) Prepares and submits to the vendor a report relative to the damaged or lost shipment along with appropriate documentation for claim purposes.

(2) Sends a copy of the report along with a letter to Procurement requesting disposition instructions if a Purchase Order is applicable to the shipment.

NOTE 1: Material to be repaired by ORNL is processed as identified in Section B.3.

NOTE 2: In the event a complete shipment is lost in transit and the vendor requests payment for the material, Accounts Payable, after a reasonable length of time and upon confirmation from

Receiving that the shipment has not been received, is responsible for advising the vendor accordingly.

E. Determining the Disposition of Damaged or Lost Material - General Services Administration (GSA) (Inbound Freight only, FOB Shipping Point)

1. Transportation Operations

a. Submits SF-362, U.S. Government Freight Lost/Damage Claim located www.gsa.gov/forms **to GSA with supporting documentation with a copy to Procurement if Purchase Order is involved**.

NOTE: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on Receiving Report to the account shown on the procurement document.

F. Determining the Disposition of Damaged and Lost Material - UPS

1. United Parcel Service (UPS)

NOTE 1: In accordance with United Parcel Service (UPS) regulations go to http://www.ups.com/using/custserv/index.html. All claims relative to damaged or lost material, regardless of shipping terms must be initiated by the shipper. Transportation Operations prepares a claim folder for the accumulation of pertinent documents.

NOTE 2: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on the Receiving Report to the account shown on the procurement document.

a. Transportation Operations

(1) **Recipient of shipment** contacts UPS Customer Service at 1-800-742-5877 and **retains all** the merchandise, containers, and all packaging material until advised otherwise by UPS.

(2) **Recipient of shipment** sends a Damage/Loss Notification Letter to the shipper of record. The letter provides the shipper with the claim number assigned to the claim investigation. The letter also contains instructions for submitting required claim paperwork.

(3) **Shipper** completes the Request for Claim Payment form, using black ink only, with the lesser of the actual cost, replacement cost if the merchandise can be replaced, or repair cost if the merchandise can be repaired, and transportation charges.

Include a contact name and phone number in the event further communication is needed.

(4) Attaches a copy of the original invoice or other certified proof in writing, sufficient to identify the package contents and substantiate the lesser of the actual cost, replacement cost, or repair cost of the merchandise.

(5) Attaches a copy of shipping record for the package. Sends all documents by mail, to the address listed on the Claim Notification Letter.

(6) If a package is lost, the shipper may request a package tracer. A tracer must be requested within nine months of a package's scheduled delivery date. The purpose of the tracer is to provide proof of delivery. If UPS is unable to prove delivery, a claim number for loss is issued.

(7) A damaged package may be reported to UPS by the shipper or receiver. An inspection by a UPS representative may be required. A damage inspection report is prepared and the shipper of record is contacted with the results of the inspection. If approved for payment, a damage claim number is issued.

(8) Once the claim paperwork is received by UPS, a check is typically issued and mailed to the shipper of record within five business days.

(9) **WHEN** the UPS call tag is received **for material received at ORNL**, **THEN** Transportation distributes as follows:

- Retains **a copy of the original call tag and files** in the claim folder;
- Sends one copy **of UPS call tag along with applicable information to the shipper.**

(10) Refers inquiries concerning vendor payments to the Buyer.

NOTE: For a shipment received at ORNL, a Shipping Order is not issued by Procurement unless the material is returned directly to the vendor.

(11) **IF** the material received at ORNL is to be destroyed, **THEN** Transportation retains written authority in the claim folder.

NOTE 1: For a shipment received at ORNL that is to be reordered or replaced, Procurement is responsible for initiating procurement action. No additional procurement document is necessary when the material is repaired or replaced at the vendor's expense. The second shipment is handled as though the damaged material had not been delivered.

NOTE 2: For handling of UPS-delivered damaged material repaired at ORNL and for shortage or lost material, refer to Section D, Determining the Disposition of Damaged and Lost Material - Parcel Post.

G. Determining the Disposition of Damaged or Lost Material – Air Shipments

1. FedEx Shipments (including FedEx Ground)

NOTE 1: All claims relative to damage or lost material must be initiated by the shipper. Transportation Operations prepares a claim folder for the accumulation of pertinent documents.

NOTE 2: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on Receiving Report to the account shown on the procurement document.

a. Transportation Operations

(1) If concealed loss or damage is discovered after delivery, the shipper must notify FedEx within 15 calendar days of the date of delivery by calling 1-800-463-3339 or by submitting a claim in writing. The receiver must retain the shipping cartons, packing, and contents in the same condition they were in when the concealed loss or damage was discovered. FedEx reserves the right to inspect the original shipping cartons, packing, and content.

(2) The receiver of the shipment must call the person who shipped the package and have that person follow the instructions for filing a claim.

(3) To file a claim, fill out a claim form located at www.fedex.com/us/customer/claims and attach the following documentation:

- Photocopy of FedEx Airbill/Ship Manager printout and/or FedEx Ground Pick-up Record.
- Photocopy of shipper's original invoice from vendor/supplier.
- Serial numbers of each item (if applicable).

- Photocopy of original retail invoice/receipt.
- Final confirmation screen if online order.
- Repair invoice or signed certified statement of non-repair from an authorized technician (if applicable).
- Detailed itemized statement.

(4) Sends the documents to the following address or faxes the documents to 412-859-2554. Customer representatives can provide assistance by calling 1-800.Go.FedEx.

FedEx
Cargo Claims Department
P.O. Box 256
Pittsburgh, Pennsylvania 15230

(5) For international shipment claims, contact the International Customer Service Center at 1.800.247.4747.

(6) For U.S. FedEx Express, written notice of a U.S. domestic claim due to damage, delay, or shortage, including perishable and spoilage damage, must be received within 15 days after delivery of the shipment. U.S. domestic claims due to nondelivery or misdelivery must be presented within 90 days of the shipment date.

(7) In the case of a claim for concealed damage which is not discovered at the time of delivery, the shipper or recipient must notify FedEx as promptly as possible after the discovery, and no later than 15 days after the date of delivery.

(8) In the case of concealed loss or damage for FedEx Ground, notify FedEx Ground within 15 days of the date of delivery by either calling 1.800.Go.FedEx or by submitting a claim in writing. The receiver retains the shipping cartons, packing and contents in the same condition they were in when the concealed loss or damage was discovered.

(9) Written notice for FedEx Ground must be received of all claims for loss, damage, or delay tendered for transportation with the U.S. and Canada within 9 months from the date of delivery or, in the event that FedEx Ground failed to make delivery, within 9 months after the shipment was tendered to FedEx Ground.

(10) For International FedEx Express, written notice of a claim due to damage, delay or shortage, including perishable and spoilage damage, must be received within 21 days after delivery of the shipment. Claims due to delivery or misdelivery must be presented within 90 days of the shipment date.

(11) In the case of a claim for concealed damage that is not discovered at the time of delivery, the shipper or recipient must notify FedEx as promptly as possible after the discovery, and not later than 15 days after the date of delivery.

2. Burlington Air Express (BAX) Shipments
(www.baxworld.com/CustomerService?FilingClaim**)**

NOTE: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on Receiving Report to the account shown on the procurement document.

(a) Transportation Operations

(1) A claim can be filed by any party of the BAX contract of carriage (airbill). On this basis, either the shipper, consignee, or third party billed may file the claim. However, the proper claimant is identified as the owner of the goods while in transit.

(2) The general measure of damages for loss of property is the value of the property at the time it should have been delivered. The claim may also include proportionate air freight charges.

(3) Where goods are damaged, the general rule for determining the amount of damages is the difference between the market value of the property in the condition in which it should have arrived and its value in its damaged condition, less salvage value.

(4) The claimant can claim the cost of the items DAMAGED BEYOND REPAIR, less any salvage value, plus proportionate air freight charges actually paid. When damaged goods are repairable, the claimant can claim the cost of repairs, plus any additional transportation costs needed to have the repairs done (freight charges to and from repair facility). All the above costs are subject to the limits of liability set forth on the airbill on which the damage originally occurred.

(5) **Non-Delivery – Loss or misdelivery of any pieces of a shipment.** It is important that a consignee (receiver of the shipment) count the pieces before signing the delivery manifest. If the piece count does not agree with the number of pieces appearing on the delivery manifest, an exact notation of this discrepancy should be entered on the manifest when signing for the freight. Notations such as “subject to count” are not

considered valid as they do not establish that a loss existed at the time of delivery.

(6) **Visible Damage – Noticeable damage to the outer shipping container or to the merchandise itself**. A consignee should check for any signs of damage to the cartons or containers. If damage is found, a notation should be entered on the delivery manifest which accurately reflects the nature and extent of the damage. Again, notations should as "subject to inspection" are not specific enough to establish carrier liability. If the amount of damage appears to exceed $500, an inspection of the damaged goods should be arranged by contacting the nearest BAX office.

(7) **Concealed Damage – Damaged discovered by the consignee after delivery of goods which were signed for with no visible damage to the containers.** Concealed damage must be reported to BAX within 15 days from the date of delivery. Should the damage appear to exceed $500, an inspection of the goods will be necessary. Therefore, the shipment, its container, and packaging material must be held by the consignee, for at least 15 days after the date BAX was notified, to allow for the inspection of the material.

(8) A formal claim must be made in writing and contain the following information:

- Request for payment of a specific dollar amount.
- Complete identification of the shipment being claimed (e.g., BAX airbill number [airbill copy preferred], date of shipment, shipper and consignee).
- Documentation substantiating the amounts being claimed (e.g., copies of invoices for the items claimed, repair invoices/estimates of repair for items damaged).
- Description of the claim.

(9) The time limit for filing a claim for domestic shipments is 120 days from the date of shipment and 15 days from the date of a shipment for concealed damage. From the date of notification of concealed damage, the consignee must hold the shipment and packaging for at least 15 days to allow BAX the opportunity to arrange an inspection.

(10) The time limit for filing a claim for international shipments is 14 days from the date the goods are placed at the disposal of the person entitled to delivery and 120 days from the date of shipment to file formal claim in the event of total loss (including non-delivery or misdelivery).

(11) BAX limit of liability for loss or damage shall be the lesser of the shipper's actual damages or, for domestic shipments, $0.50 per lb multiplied by the weight of the entire shipment or $50 whichever is greater. For international shipments, limit liability shall be $9.07 per lb multiplied by the weight of the part of the shipment which has been lost or damaged. These limits will apply to all shipments unless the shipper declares a higher value for carriage or insurance amount on the BAX air/ocean bill and pays for the same.

3. Airborne Express Shipments (Shipper or Recipient may file claim) (sbw.arborne.com/download/Quick_Start_Guide01.pdf)

NOTE: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on Receiving Report to the account shown on the procurement document.

a. Transportation Operations

(1) If reporting a late shipment, call 1-800-247-2676 within 15 days of the shipment date to report the service failure. No additional claim form is necessary.

(2) To report a missing or damaged shipment, Airborne Express must receive your written claim within 90 days of the shipment date.

(3) If Asset Protection is **purchased**, Airborne Express must receive your written claim within one year of the shipment date.

(4) After receiving the written claim, Airborne will process your claim and then provide a final written determination. Do not withhold payment on an invoice, as this will slow up the claims process. If the claim is processed, a reimbursement will be sent.

(5) A written claim can be filed from www.airborne.com.

4. DHL Worldwide Express (Shipper or Recipient may file claim, but only Shipper shall receive compensation) (http.//www.dhl-usa.com/bs/carriagedoc)

NOTE: Receiving is responsible for notifying Transportation Operations upon receipt of a damaged shipment. The undamaged portion of the shipment, if any, is charged on Receiving Report to the account shown on the procurement document.

a. Transportation Operations

(1) Claims are limited to one claim per shipment, settlement of which will be full and final settlement for all loss or damage in connection therewith.

(2) All claims must be submitted in writing to DHL, within 30 days from the date that DHL accepted the shipment, failing which DHL shall have no liability whatsoever.

(3) All of the original shipping cartons, packing, and contents must be made available for DHL's inspection and retained until the claim is concluded.

(4) DHL is not obligated to act on any claim until all transportation charges have been paid.

(5) If the shipment has an actual value greater than the liability limits **($100 for domestic shipments or $9.07 lb for international shipments),** DHL can arrange shipment value protection for shipper covering the actual cash value in respect of loss of or physical damage to the shipment provided the shipper completed the Declared Value for Carriage Section on the front of the waybill or request it via DHL's automated systems and pays the applicable premium. Shipment Value Protection does not cover indirect loss or damage, or loss or damaged caused by delays. If the shipper does not declare a value for carriage and pay the appropriate charge, the shipper assumes all risks of loss or damage over the amount of DHL's liability.

H. Denial of Claims by Carriers (insert from DOE/NRM-1081, Transportation Operations Manual, Revision 4, 1999, Chapter 8)

NOTE: Most of the major carriers in the United States pay loss or damage claims when carrier negligence has been clearly established in documents supporting the claim. There are, however, some carriers that resist paying any claim until threatened by litigation. Unwarranted denial of

claims can often be avoided by using only approved carriers, and by establishing a good working rapport with those carriers.

1. Transportation Operations

a. When a claim is declined by a carrier, review the merits of the claim and the reputation of the carrier for paying claims. There are several options open to the claimant whose claim has been denied.

- **Write off the claim.**
  Some Field elements provide their contractors with blanket authority to write off uncollectible claims under $1,000. Authority for this compromise is in 4 CFR 103. Other field offices require the claim file and the contractor's recommendation be forwarded for review. A questionable claim, such as one for concealed damage discovered at a location other than where the shipment was received, could be susceptible to write off.

- **Accept the carrier's offer to settle the claim for an amount less than that claimed.**
  Under 4 CFR 104, the head of an agency may exercise such compromise authority where the claim, (exclusive of interest, penalties, and administrative costs, after subtracting partial payments) does not exceed $20,000. The authority to compromise a claim exceeding $20,000 rests solely with the Department of Justice.

- **Involve Finance and/or local Legal counsel in a decision to refer the claim to the General Accounting Office or the Department of Justice for collection or litigation.**
  See Chapter VIII(4) of the "Accounting Practices and Procedures Handbook," DOE/CR 0009, and FPMR 101-40.712 for details. Prior to referral, however, the claimant must have taken "aggressive action" to collect. Aggressive action is defined in 4 CFR 102.2 as "a total of three progressively stronger written demands at not more than 30-day intervals" unless a response to the first or second letter indicates that further demand would be futile. The letter(s) must also inform the carrier of the consequences of nonpayment, such as disqualification and suspension, litigation, or even offset.

- **Counsel may elect to litigate locally.**

- **Invoke administrative offset under the provisions of 4 CFR 103, "Collection by Administrative Offset" and 31 U.S.C. 3716 "Administrative Offset" after a review within the agency of this decision.**

Advance notice must be given to the carrier of the agency's intention to collect by offset unless the carrier reconsiders. If the agency does not owe sufficient funds to the carrier to cover the offset, 4 CFR 102.3 permits the agency to establish procedures whereby it can make an offset request to another agency that does owe enough money to cover the claim. Also see 41 CFR 101-40.711-1 for use of an offset to collect a claim from an insolvent carrier.

I. Settling Carrier Claim Reimbursements

1. **Transportation Operations**

a. Instructs carrier to forward claim checks including claim number:
U.S. DOE, UT-Battelle, LLC
Attention TPM Claims
Claim #_____
P.O. Box 2008
Building 7001, MS 6288
Oak Ridge, Tennessee 37831

b. **WHEN** claim check(s) are received in Transportation Operations, **THEN** Transportation makes a photocopy, notes claim number and account(s) to be credited, and forwards to ORNL Treasury Services Department.

NOTE: ORNL Treasury Services is responsible for entering the appropriate information to a remittance register and forwarding the original remittance register to Accounts Receivable, for posting credit to appropriate customer's account(s). A copy of the remittance is also forwarded to Accounts Payable for internal control purposes. Treasury Services deposits check(s) into government funds.

J. Reporting Requirements

1. Annual Claims Report

a. Transportation Operations

NOTE: Transportation Operations is responsible for preparing and distributing the Annual Claims Report.

(1) Prepares the annual Year-End Claims and Status Report, TPM-CL-005. (See Exhibit E)

V. RECORDS

Records are generated and maintained in accordance with established ORNL records management practices and approved records inventory and disposition schedules.

1. Maintains Claim files against carriers for each action taken on a current basis.

   These files must contain evidential documentation pertinent to claims filed as follows:

   - Correspondence (Claim letters, Inspection Reports, Freight Bills, Weight and Exception Reports
   - TPM-CL001, Claim Register
   - TPM-CL-002, Indemnity Agreement
   - TPM-CL-003, Standard From for Presentation of Loss and Damaged Reports
   - TPM-CL-005, Year-End Claims and Status Report
   - TPM-CL-006, Notice of Claim

VI. REFERENCES

1. DOE/NBM-1081, Transportation Operations Procedures Manual, Revision 4, Chapter 8
2. 41 CFR, Public Contracts and Property Management. Part 102-118, Subpart F – Claims and Appeal Procedures
3. National Motor Freight Classification, STB NMF 100

Prepared by: TPM Organization

Points of Contact: J. H. Shelton, 576-6401

Approved by: _____[Signature on File]_____ Date:____12/03/2002_____
J. H. Shelton, Manager

Exhibit A

Oak Ridge National Laboratory

NOTICE OF LOSS OR CONCEALED DAMAGE CLAIM

Name of Agent	**Date**
Name of Carrier	**File No.**
Address	**Purchase Order No.**
City and State	**Consignee**

TO WHOM IT MAY CONCERN:

SUBJECT: NOTICE OF CLAIM

The shipment described below ☐ has not been delivered ☐ was received in bad order condition. This document will serve as a formal claim and will be supported with the proper documents as soon as they can be assembled. Inspection Required ☐ Yes ☐ No

Description of Shipment

Pro No.	**Dated**
Shipped by	**Original Point of Origin**
☐ **Not Delivered** ☐ **Delivered**	**Date**

No. of Articles	Articles	Unit Price	Condition of Articles

Remarks

SINCERELY YOURS

_____

Transportation & Packaging Management

TPM-CL-006, Rev. 0 (9-12-02)

Exhibit B

Oak Ridge National Laboratory

Post Office Box 2008
Building 7001, MS 6288
Oak Ridge, Tennessee 37831

Sheet No.

Claim Register

Claim No.	Account No.	Date Account Issued	Reference (Purchase Order)	Carrier	Bill Number	Date of Bill	Amount of Claim	Date Claim Filed	Date Claim Completed

TPM-CL-001, Rev. 0 (9-06-2002)

Exhibit C
STANDARD FORM FOR PRESENTATION OF LOSS AND DAMAGE CLAIM

To:_____ _____
(Name of Carrier) (Date)

_____ _____
(Street Address) (Claimant's Number)

_____ _____
(City, State) (Carrier's Number)

This claim for $_____ is made against your company for ð Damage ð Loss in connection with the following described shipment:

(Shipper's Name)	(Consignee's Name)
(Point Shipped From)	(Final Destination)
(Name of Carrier Issuing Bill of Lading)	(Name of Delivering Carrier)
(Date of Bill of Lading)	(Date of Delivery)
(Routing of Shipment)	(Delivering Carrier's Freight Bill No.)

If shipment reconsigned en route, state particulars:_____

DETAILED STATEMENT SHOWING HOW AMOUNT CLAIMED IS DETERMINED (Number and description of articles, nature and extent of loss of damage, invoice price of articles, amount of claim, etc. ALL DISCOUNTS and ALLOWANCES MUST BE SHOWN)	
NMFC Item No. of commodity lost or damaged_____ Total Amount Claimed	

The following documents are submitted in support of this claim:
ðOriginal Bill of Lading
ðOriginal invoice or certified copy
ðOriginal paid freight bill or other carrier document bearing notation of loss or damage if not shown on freight bill
ðCarrier's Inspection Report From (Concealed loss of damage)
ðShipper's concealed loss or damage form
ðConsignee concealed loss or damage form
ðOther particulars obtainable in proof of loss or damage claimed

_____

_____

(Note: The absence of any document called for in connection with this claim must be explained. When impossible for claimants to produce original bill of lading or paid freight bill, a bond of indemnity must be given to protect carrier against duplicate claim supported by original documents).

The foregoing statement of facts is hereby certified as correct.

_____ _____
(Date) (Claimant's Name)

_____
(Signature)

_____
(Company, Address, Title)

Exhibit D

INDEMNITY AGREEMENT

Date_____ 20_____

File No._____

We, the undersigned, being unable to produce or supply the _____

or its connections with the O **ORIGINAL PAID FREIGHT BILL** O **ORIGINAL BILL OF LADING** **covering shipment hereinafter**

described, do hereby indemnify and save it, and other interested carriers, if any, harmless from and against any damages in any way whatsoever connected therewith or arising therefrom. The

O **ORIGINAL PAID FREIGHT BILL**
O **ORIGINAL BILL OF LADING** **cannot be produced for the following reason:**

_____

_____

_____

_____

DESCRIPTION OF SHIPMENT

Articles		
Consignor		**From**
Consignee		**At**
Date Shipped		**Via**
Freight Bill No.	**Date**	**Issuing Carrier**
Bill of Lading No.	**Date**	**Issuing Carrier**
U.S. DOE c/o UT-Battelle, LLC		**Signed**
		Transportation and Packaging Management

OAK RIDGE NATIONAL LABORATORY
MANAGED BY UT-BATTELLE FOR THE DEPARTMENT OF ENERGY

P.O. Box 2008, Bldg. 7001
Oak Ridge, TN 37831-6288
(865) 576-6401
Fax: (865) 576-1979
E-mail: sheltonjh@ornl.gov

Exhibit E

Date: Complete the appropriate information

To: Complete the appropriate information

cc: Complete the appropriate information

From: Complete the appropriate information

Subject: **FY 200__ Year-End Claims and Status Report**

The following table lists the claims filed and the end-year claims status in the Transportation and Packaging Management Organization at the Oak Ridge National Laboratory. Please direct any questions to me at _____.

Oak Ridge National Laboratory					
Month	Number of Claims Filed	Dollar Amount	Number of Claims Collected	Dollar Amount Collected	Dollar Amount Canceled
October	0	0	0	0	0
November	0	0	0	0	0
December	0	0	0	0	0
January	0	0	0	0	0
February	0	0	0	0	0
March	0	$13,000.00	0	0	0
April	0	0	0	0	0
May	0	0	0	0	0
June	0	0	0	0	0
July	0	0	1	$6,500.00	$6,500.00
August	0	0	0	0	0
September	0	0	0	0	0
Total	1	$13,000.00	1	$6,500.00	$6,500.00