
Defense Report

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Shipping Military Goods To Alaska— Competition Would Save Millions

American taxpayers pay nearly twice as much to ship military household goods to Alaska as they do for all other overseas destinations of comparable distances. And military families whose goods are sent to Alaska by sea experience about a 70 percent chance of loss or damage to their property.

The dual problems of outrageous costs and excessive damages related to household goods shipments to Alaska must be solved immediately. The damage is caused by the number of transshipments required and hazards associated with sea transportation. These could be ameliorated by contracting only with movers who pack the goods in crates with the additional bracing, padding and waterproofing used for all other overseas shipments.

The major problem is in the exorbitant charges levied for transporting household goods to and from Alaska. It costs \$114 to ship 100 pounds from Washington, DC to Fairbanks. That's almost twice the \$59 charge for sending a like weight to Munich, Germany, a hundred miles more distant.

The Army established a Competitive Rate Program in 1976 to obtain lower rates for the overseas movement of household goods. Substantial rate reductions were achieved when the program was applied to shipments to Okinawa and Germany. Bids were also solicited for shipments to Alaska and Hawaii and movers proposed charges that were 20 to 26 percent lower than the prevailing rates. However, the adoption of the program for Alaska and Hawaii was prohibited by the Congress when restrictive language was included in the DoD Appropriations Act of 1978. The prohibition has been extended by law each year since then.

The President's Private Sector Survey on Cost Control—the Grace Commission—has recommended that DoD seek legislation to allow solicitation of competitive bids for movement of household goods to Alaska and Hawaii and that goods sent to Alaska by sea be packed the same as for other overseas shipments. These sound proposals which are easily implemented would save taxpayers \$69 million in the first three years of operation. That should certainly be argument enough to convince members of Congress to remove the restrictions against the competitive rate program. Everyone would save—the taxpayers—both civilian and military—and the families of service personnel sent to Alaska.