110039

REPORT BY THE

Comptroller General

OF THE UNITED STATES

RELEASED

Are Forwarders' Rates For Moving Military Household Goods High Enough To Cover Costs?

The House Committee on Merchant Marine and Fisheries wanted to know if forwarders were bidding rates that were high enough to cover their costs for making arrangements to move military members' household goods. HSE02700

Although GAO was not allowed to review the records of the low bidders, there is evidence that the rates may have been below cost, at least during the early phases of a new competitive rate program introduced by the Department of Defense. AGC00005

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UNITED STATES GENERAL ACCOUNTING OFFICE

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LCD-79-226
JULY 30, 1979

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-159390

The Honorable John M. Murphy
Chairman, Committee on Merchant
Marine and Fisheries
House of Representatives

HSE02700

Dear Mr. Chairman:

This is the second and final report on the work you requested in connection with the Department of Defense's Competitive Rate Program. Our initial report, dated March 20, 1979, dealt with our evaluation of the Department's claims of improved service and savings resulting from the program. This report examines forwarders' rates and explores the possibility that such rates may not be high enough to cover forwarder costs.

As directed by your office, we did not obtain agency comments on matters discussed in this report. Also, as arranged with your office this report will be released for distribution to interested parties in 30 days unless you publicly announce its contents earlier.

Sincerely yours,

Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE COMMITTEE ON MERCHANT MARINE AND FISHERIES HOUSE OF REPRESENTATIVES

ARE FORWARDERS' RATES FOR MOVING MILITARY HOUSEHOLD GOODS HIGH ENOUGH TO COVER COSTS?

Bck

D I G E S T

Basically, there are two methods of shipping household goods of military personnel overseas--the Direct Procurement method under which the Government makes arrangements with individual firms for all required services and the International Through Government Bill of Lading method under which the Government pays a household goods forwarder to make the arrangements. This second method is used in 95 percent of the Department of Defense's (DOD's) overseas shipments. The cost of shipments overseas is about $250 million annually. (See p. 1.)

Prior to 1976, forwarder rates were established under a "me-too" method whereby forwarders submitted rates to DOD. DOD determined the low rate for each traffic channel and any forwarder who agreed to the low rate shared equally in the business. In GAO's report to the House Committee on Appropriations (LCD-75-225, May 6, 1976), GAO said that the forwarders' rates were high in relation to forwarders' costs and were excessive compared to the Direct Procurement Method. GAO concluded that DOD needed to introduce more competition into its rate-setting procedures. (See p. 1.)

DOD ~~subsequently~~ introduced its Competitive Rate Program which gave the low bidder most of the tonnage as an incentive to bid low rates. DOD claimed the program had resulted in savings and improved service. (See p. 2.)

to increase competition in its ratesetting procedures

In a March 20, 1979, report requested by the Committee on Merchant Marine and Fisheries (LCD-78-232), GAO said that the methodology used to project savings was valid, but that GAO could not support DOD's claim of improved service.

The Committee also wanted GAO to determine whether or not forwarders' rates were high enough to return costs and whether the program was fostering monopolistic practices by forwarders. (See p. 2.)

To determine this GAO used three different approaches. GAO:

--Estimated forwarder costs for underlying services on the basis of rates and charges published in contracts, agreements, tariffs, and other documents in public files and compared these costs with low bid rates.

--Reviewed shipment records of two forwarders (not those which had bid the low rates), established their costs of providing the service, and compared such costs with rates charged DOD.

--Examined the records of a forwarder which had recently gone into bankruptcy.

However,
Forwarders which had ve established or bid the lowest rates would not agree to let ~~GAO review~~ their records be reviewed, so ~~GAO cannot give an unqualified opinion as to t~~he compensatory nature of the rates ~~cannot~~ can not be examined. Also, GAO recognizes that some forwarders are more efficient than others and that such efficiency could result in lower overhead costs. In addition, GAO recognizes the economies that are inherent in handling large volumes of household goods.

However, on the basis of the analyses cited above, there is evidence that the rates may have been noncompensatory--the cost to provide the service may have exceeded the revenue earned. (See p. 3.)

GAO's estimate of costs covered only the "through door-to-door" transportation service covered by the bid. Any income or profits realized by the forwarders for accessorial service would reduce the loss sustained on the transportation segment.

With respect to monopolistic practices, GAO believes that the ease of entry into the forwarding industry and DOD's option to use an alternative method of moving household goods would prevent monopolies. (See p. 8.)

GAO noted a trend towards higher rates, particularly during the past year (about a 28 percent increase) which suggests that forwarders are beginning to bid more realistic rates.

The Committee directed that GAO not obtain agency comments on matters discussed in this report.

Contents

ABBREVIATIONS

CONUS	continental United States
CRP	Competitive Rate Program
DOD	Department of Defense
GAO	General Accounting Office
ITGBL	International Through Government Bill of Lading

CHAPTER 1

INTRODUCTION

Military members, in connection with a permanent change of station, are entitled to have their household goods moved at Government expense. The cost of these shipments is $700 million annually, of which $250 million is for shipping household goods overseas.

Basically, there are two methods for shipping household goods overseas. The first is the Direct Procurement method under which the Government makes arrangements with individual firms for all required services, such as packing, delivery to the ocean port, port handling, ocean transportation, delivery to destination, and unpacking. Under this method, the firms bill the Government, and the Government makes payment directly for each service rendered. The second method is the International Through Government Bill of Lading (ITGBL) method under which the Government pays a household goods forwarder to make all arrangements. Under the ITGBL method, the Government deals only with the forwarder and makes a single payment to the forwarder for the overall move--from origin to destination. This method is used for 95 percent of the Department of Defense's (DOD's) overseas shipments.

Prior to 1976, forwarder rates were established under a procedure commonly referred to as the "me-too" method. Under this method, all participating forwarders submitted proposed rates to DOD. After determining the low rate for each traffic channel, DOD conveyed this information to all forwarders and gave them the opportunity to match the low rates. Any forwarder who agreed to the low rates was then permitted to share equally with the low bidder in the business. The forwarder firm submitting the initial low rate was not rewarded, and consequently, there was no incentive for a forwarder to initially submit its lowest bid.

In a report to the House Committee on Appropriations (LCD-76-225, dated May 6, 1976), we said that the ITGBL rates were high in relation to forwarders' costs and were excessive compared to the Direct Procurement method. Our examination showed that forwarders made a profit of over 15 percent on 70 percent of the traffic channels. The Interstate Commerce Commission considered a profit of 7-1/2 percent of cost to be reasonable for motor carriers. We also found that the direct procurement rates were between 13 and 27 percent lower than the ITGBL rates. We attributed the high rates to the me-too method and concluded that DOD needed to introduce more competition into its rate-setting procedures.

DOD subsequently introduced its Competitive Rate Program (CRP). Under this program, DOD gave the low bidder a major part of the tonnage as an incentive to bid low rates. DOD tested this concept on traffic between the United States and Okinawa and later on traffic to and from Germany. The program was further expanded, and today it is used almost worldwide.

After reviewing test results, DOD said that the rate reductions obtained through competition had already resulted in savings of about $25 million and would save an additional $54 million annually. DOD also claimed that CRP had resulted in improved service to the military members.

Prompted by complaints from the forwarder industry that some forwarders were bidding noncompensatory rates (rates that were less than cost), the House Committee on Merchant Marine asked us to

--validate DOD's claims of improved service and savings,

--determine whether or not the forwarders' rates are compensatory, and

--see if monopolistic or semimonopolistic practices are being fostered by DOD's CRP.

On March 20, 1979, we reported to the Subcommittee that the methodology DOD used to estimate and project savings was valid and that the DOD figures were as accurate as possible based on the information available at the time the estimates were made. In connection with the claims of improved service, we cited a number of problems with the manner in which such improvements had been measured and we said that we could not support DOD's position.

Our report on DOD claims left unanswered the questions regarding the compensatory nature of forwarders' rates and the potential for monopolistic practices in the forwarder industry. This report covers those aspects of the Subcommittee's interest.

CHAPTER 2

FORWARDERS' RATES DO NOT APPEAR TO BE COMPENSATORY

In an effort to determine whether or not forwarder rates were high enough to return costs, we used three different approches.

--We estimated forwarder costs on the basis of rates and charges published in contracts, agreements, tariffs, and other documents in public files and compared these costs with low bid rates.

--We reviewed the shipment records of two forwarders (not those which had bid the low rates), established their costs to provide the service, and compared such costs with rates charged DOD.

--We examined the records of a forwarder which had recently gone into bankruptcy.

Forwarders which had established or bid the lowest rates would not let us review their records, so we cannot give an unqualified opinion as to the compensatory nature of rates. It could be that the larger forwarders that own and operate subsidiary companies that perform the underlying services are able to reduce their costs somewhat. However, based on the various analyses cited above, there is evidence that the rates may have been noncompensatory. In other words, the costs to provide the service may have exceeded the revenue earned.

CONSTRUCTED COSTS EXCEED LOW RATE BID

Forwarders' payments to carriers and other businesses which actually provided the underlying services--pickup, line haul to port, port handling, ocean transportation, line haul to destination, delivery, and packing--are not a matter of public record. But many of the rates and charges for these services are set forth in tariffs, contracts, agreements, and other documents which are open for inspection.

Since the carriers which provide the major transportation services, such as line haul in the United States and ocean transportation, are required by law to collect charges based on rates reflected in these documents, we were able to construct a reasonable estimate of forwarders' costs. Our estimate was based on shipments between three major installations in the United States and five installations in Germany.

Traffic between the United States and Germany represents about 40 percent of DOD shipments under CRP.

We constructed or estimated the cost of providing service between May 1 and October 31, 1978--the latest 6-month cycle for which completed records were available. Without exception, our estimate of cost exceeded the low rate bid for service between the points involved. Examples follow which show our estimate of forwarder cost, the rate bid, and the estimated loss sustained on each 100 pounds of household goods handled.

	Between Cameron Station, Va. and Frankfurt		Between San Antonio, Tex. and Kaiserslautern		Between Oakland, Calif. and Wiesbaden	
	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound
	per hundredweight					
Estimated cost to forwarder	$49.47	$52.79	$51.98	$51.27	$59.69	$62.02
CRP rate (effective 5/1/78)	47.75	50.25	44.17	46.62	50.92	53.18
Loss per hundredweight	$ 1.72	$ 2.54	$ 7.81	$ 4.65	$ 8.77	$ 8.84

A complete explanation of the bases for our estimate is included as appendix I. Also, a schedule showing our estimate of costs for each element broken down by traffic channel is included as appendix II.

We want to emphasize that our estimate of costs covered only the "through door-to-door" transportation service since this is the only service which is covered by the bid. Any income or profits realized by the forwarders for accessorial services rendered, such as storage and warehouse handling, would reduce the loss sustained on the transportation segment.

Also, as mentioned earlier, some forwarders may own or control companies which provide the underlying services. For example, a forwarder may own or control a local agent which does the pickup, packing, delivery, and unpacking. Another forwarder may own a flatbed trucking company which handles the line haul transportation. Any cost advantage resulting from such ownership could reduce a forwarder's cost.

So, while the CRP rates are obviously noncompensatory to most forwarders, we cannot say that they are, without any doubt, noncompensatory to all. Although we have constructed costs which for most segments of the movement are based on rates in public files, without reviewing the low bidders' records, we cannot give an unqualified opinion as to the compensatory nature of the CRP rates.

RATES NOT COMPENSATORY TO FORWARDERS WHOSE RECORDS WE EXAMINED

We attempted to obtain access to the financial records of those forwarders that were bidding low CRP rates and were receiving the largest volume of DOD traffic. These forwarders, however, would not agree to let us review their records. Although we believed it was necessary to examine the financial records of these low bidders before we could give an unqualified opinion as to whether or not DOD's CRP rates are compensatory, we visited two other forwarders who voluntarily offered us access to shipping records. Neither forwarder was a low bidder, nor did they receive large DOD tonnage awards.

To determine the compensatory nature of rates for these forwarders under CRP, we examined shipment files which contained copies of Government bills of lading showing the applicable rate and revenue for each shipment. The files also had related invoices on completed shipments between several locations in Germany and in the continental United States (CONUS). We reviewed these invoices to compile costs for origin service, line haul to port, port handling, ocean transportation, line haul to destination, and destination service. Company officials provided estimates of their costs for shipping containers and overhead.

Our analysis of over 100 shipments selected at random showed that the CRP rates had returned costs on only 8 percent of the shipments. The forwarders' profits ranged from $1.03 a hundredweight to $8.48 a hundredweight. However, on 92 percent of the shipments examined the loss to the forwarders ranged from $2.07 a hundredweight to $22.00 a hundredweight. Even ignoring variable factors, such as overhead and considering only direct costs that were supported by invoices, the rates were not compensatory on 57 percent of the shipments analyzed.

We recognize that some forwarders are more efficient than others and that such efficiency could result in lower overhead costs. We also recognize the economies that are inherent in handling large volumes of household goods. For these reasons, we cannot say with absolute assurance that the rates were noncompensatory. But, the rates were certainly not high enough to return costs to the two forwarders whose records we examined.

RECORDS OF BANKRUPT FORWARDER SHED LITTLE LIGHT

The Committee asked us to review the records of Columbia Export Packers, Inc., a low bidder who participated heavily in the early phases of CRP. In May 1978, Columbia filed for bankruptcy in the U. S. District Court for the Central District of California.

We were able to obtain access to some of Columbia's records which were stored in a Los Angeles, California, storage warehouse. We had hoped that by examining these records we could determine whether or not CRP had contributed to Columbia's financial difficulties. We reviewed more than 200 boxes of Columbia's miscellaneous records. However, we were prevented from making the type of analysis necessary to establish any conclusive relationship between CRP and the company's financial condition due to incomplete records.

However, during our review we found two of Columbia's computer printouts which showed details of costs incurred and revenue earned on shipments made under DOD's CRP between CONUS and Germany and CONUS and Okinawa between November 1, 1976, and March 31, 1977. Each segment of the shipments had been cost out separately. One printout was coded "normal" and the other coded "41 only." There was no explanation of the significance of either code.

We analyzed 36 traffic channels from the "normal" printout--18 channels between Germany and 9 States and 18 channels between Okinawa and 9 States. We analyzed the same 36 traffic channels from the 41 only printout.

Our analysis of the normal printout showed that shipments on 9 channels, or 25 percent, were compensatory and the remaining 27 channels were noncompensatory. By comparison, the 41 only printout showed that 17, or about 47 percent, of the channels were compensatory and 19 noncompensatory. The disparity between these printouts can be demonstrated by looking at the Virginia to Germany channel. The normal printout showed a loss of $2.97 per hundredweight to Columbia, while the 41 only printout showed a profit of $9.91 per hundredweight to Columbia.

We could not find any invoices or billing documents to support the costs included in the above calculations. So we contacted a former officer of Columbia in an effort to obtain information about the source documents supporting the printouts and to solicit information about the company's accounting procedures that would help us better understand the computerized material. However, the official declined to discuss the matter with us.

It is obvious that Columbia was cost conscious based on its efforts to accumulate and analyze costs on the thousands of shipments it handled. But, without the documents supporting the various elements of cost and without some knowledge of the procedures used to cost out the shipments, we cannot express an opinion on the validity or accuracy of Columbia's printouts. Assuming the costs were properly computed--using information from either printout--shipments on many of the channels did not return costs.

CHAPTER 3

OTHER MATTERS OF INTEREST

UNLIKELY THAT CRP WILL RESULT IN MONOPOLIES

The House Committee on Merchant Marine and Fisheries was concerned that CRP would foster monopolistic practices by the forwarders. In other words, some forwarders would bid extremely low rates to drive out competition and then would raise their rates once they had established a hold in the business.

Our review of DOD's household goods moving program indicates that it has certain economic characteristics that will prevent monopolistic practices by forwarders. The keener competition in the program has resulted in much lower rates. However, the ease of entry into the household goods forwarding business should assure that as soon as the rates return to a level where forwarders' profits are attainable, a number of forwarders will reenter the market.

Any hold a low bidder has will quickly vanish once the rates start to increase. Unlike an industry that requires substantial investment and long leadtimes before becoming operational, the forwarder firm merely reestablishes its network of agents.

Also, the Direct Procurement method could be employed by DOD to overcome any unreasonable prices resulting from monopolistic practices. If a forwarder gained control of the business and sought to raise the rates to an unreasonable level, DOD would simply decline to use that forwarder's services and would manage its own shipments.

We believe these factors make the probability of any effective monopolies in DOD's CRP unlikely.

TREND TOWARD HIGHER RATES

There has been a definite trend toward higher CRP rates, particularly during the past year. For example, the rates which became effective May 1, 1979, on major household goods channels are about 28 percent higher than those which were effective May 1, 1978. (See app. II for rates on selected channels since the inception of CRP.)

Although some part of the recent increase is no doubt attributable to higher forwarder costs, we believe that the trend also points to the bidding of more realistic rates.

Some of the forwarders that bid low rates and handled the bulk of the traffic during the early phases of CRP have voluntarily withdrawn from the program. Others, such as Columbia Export Packers, have ceased operations.

BASES FOR OUR ESTIMATES OF FORWARDERS' COSTS

Origin and destination service

In United States--Based on rates shown in agreements between forwarders and local agents.

In Germany--Based on rates shown in agreements between a forwarder and foreign agents.

Transportation to and from ports

In United States--Based on rates on file at the Interstate Commerce Commission.

In Germany--Based on rates reflected on invoices of forwarder whose records we examined.

Port handling--Based on rates actually paid by a forwarder as indicated on invoices in the forwarder's files.

Ocean transportation--Based on rates in tariffs on file at the Federal Maritime Commission. We assumed that 6 pounds of household goods would occupy a cubic foot of container space and that 10 household goods containers would fit into a single 40-foot seavan container. The 6 pounds per cubic foot was the average experienced by a forwarder on about 12,000 shipments. The 10 containers to a seavan is based on our observation of actual shipments.

Container costs--Based on a recently computed estimate of costs incurred by a nationally known forwarder whose experience showed that each container has a useful life of 3-1/2 moves.

Overhead--Based on costs computed in our earlier study of forwarder operators (LCD-76-225, May 6, 1976), updated using the Consumer Price Index.

FORWARDERS' COSTS ON SHIPMENTS

FROM AUGUST THROUGH OCTOBER 1978

	Between San Antonio and Seckenheim		Between San Antonio and Kaiserlautern		Between San Antonio and Frankfurt		Between San Antonio and Ramstein		Between San Antonio and Wiesbaden	
	Outbound	Inbound	Outbound	Inbound	Outbound	Outbound	Outbound	Inbound	Outbound	Inbound
	(rates per 100 pounds net weight)									
Origin costs	$13.00	$16.94	$13.00	$14.36	$13.00	$14.79	$13.00	$14.36	$13.00	$15.65
Container cost	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Line haul to port	3.40	6.42	3.40	6.42	3.40	6.42	3.40	6.42	3.40	6.42
Port handling	.45	(a)	.45	(a)	.45	(a)	.45	(a)	.45	(a)
Ocean transportation	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33
Port handling	(a)	.45	(a)	.45	(a)	.45	(a)	.45	(a)	.45
Line haul to destination	7.17	3.40	7.17	3.40	7.17	3.40	7.17	3.40	7.17	3.40
Destination service (note b)	5.57	3.40	4.72	3.40	4.72	3.40	4.72	3.40	5.57	3.40
Overhead cost	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91
Total cost to forwarder	$52.83	$53.85	$51.98	$51.27	$51.98	$51.70	$51.98	$51.27	$52.83	$52.56
CRP rate (effective 5/1/78)	44.17	46.62	44.17	46.62	44.17	46.62	44.17	46.62	44.17	46.62
Forwarder profit or loss	(8.66)	(7.23)	(7.81)	(4.65)	(7.81)	(5.08)	(7.81)	(4.65)	(8.66)	(5.94)

a/Included in Line-haul costs.

b/When shipments move into storage inbound, there is usually no destination service charge.

APPENDIX II

FORWARDERS' COSTS ON SHIPMENTS

FROM AUGUST THROUGH OCTOBER 1978

	Between Cameron Station and Seckenheim		Between Cameron Station and Kaiserslautern		Between Cameron Station and Wiesbaden		Between Cameron Station and Ramstein		Between Cameron Station and Wiesbaden	
	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound
	(rates per 100 pounds net weight)									
Origin costs	$ 9.50	$16.94	$ 9.50	$14.36	$ 9.50	$14.79	$ 9.50	$14.36	$ 9.50	$15.65
Container cost	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Line haul to port	2.31	6.42	2.31	6.42	2.31	6.42	2.31	6.42	2.31	6.42
Port handling	.50	(a)	.50	(a)	.50	(a)	.50	(a)	.50	(a)
Ocean transportation	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36	17.36
Port handling	(a)	.50	(a)	.50	(a)	.50	(a)	.50	(a)	.50
Line haul to destination	7.17	2.31	7.17	2.31	7.17	2.31	7.17	2.31	7.17	2.31
Destination service (note b)	5.57	3.50	4.72	3.50	4.72	3.50	4.72	3.50	5.57	3.50
Overhead cost	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91
Total cost to forwarder	$50.32	$54.94	$49.47	$52.36	$49.47	$52.79	$49.47	$52.36	$50.32	$53.65
CRP rate (effective 5/1/78)	47.75	50.25	47.75	50.25	47.75	50.25	47.75	50.25	47.75	50.25
Forwarder profit or loss	(2.57)	(4.69)	(1.72)	(2.11)	(1.72)	(2.54)	(1.72)	(2.11)	(2.57)	(3.40)

a/Included in line-haul costs.

b/When shipments move into storage inbound, there is usually no destination service charge.

APPENDIX II

FORWARDERS' COSTS ON SHIPMENTS

FROM AUGUST THROUGH OCTOBER 1978

	Between Oakland and Seckenheim		Between Oakland and Kaiserslautern		Between Oakland and Frankfurt		Between Oakland and Ramstein		Between Oakland and Wiesbaden	
	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound	Outbound	Inbound
	(rates per 100 pounds net weight)									
Origin costs	$10.00	$16.94	$10.00	$14.36	$10.00	$14.79	$10.00	$14.36	$10.00	$15.65
Container cost	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Line haul to port	13.26	6.42	13.26	6.42	13.26	6.42	13.26	6.42	13.26	6.42
Port handling	.45	(a)	.45	(a)	.45	(a)	.45	(a)	.45	(a)
Ocean transportation	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33	15.33
Port handling	(a)	.45	(a)	.45	(a)	.45	(a)	.45	(a)	.45
Line haul to destination	7.17	13.26	7.17	13.26	7.17	13.26	7.17	13.26	7.17	13.26
Destination service (note b)	5.57	3.00	4.72	3.00	4.72	3.00	4.72	3.00	5.57	3.00
Overhead cost	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91	4.91
Total cost to forwarder	$59.69	$63.31	$58.84	$60.73	$58.84	$61.16	$58.84	$60.73	$59.69	$62.02
CRP rate (effective 5/1/78)	50.92	53.18	50.92	53.18	50.92	53.18	50.92	53.18	50.92	53.18
Forwarder profit or loss	(8.77)	(10.13)	(7.92)	(7.55)	(7.92)	(7.98)	(7.92)	(7.55)	(8.77)	(8.84)

a/Included in line-haul costs.

b/When shipments move into storage inbound, there is usually no destination service charge.

APPENDIX II

CRP LOW RATE

	Vol. 1 effective 11-1-76	Vol. 2 effective 5-1-77	Vol. 35 effective 11-1-77	Vol. 36 effective 5-1-78	Vol. 37 effective 11-1-78	Vol. 38 effective 5-1-79
To Germany from:						
Calif.	$50.60	$56.79	$53.32	$50.92	$56.56	$62.12
Fla.	40.70	53.98	47.60	45.25	52.53	55.69
Ky.	41.30	50.33	48.27	48.07	53.17	59.75
Md.	38.60	47.38	45.14	46.64	51.55	55.50
N.J.	44.70	50.76	48.17	50.14	55.00	61.51
N.C.	43.81	46.36	44.84	46.67	52.28	55.71
Okla.	42.50	50.00	47.57	46.17	51.55	62.96
Tex.	42.05	49.78	47.37	44.17	50.58	52.83
Va.	38.90	51.16	47.47	47.75	51.68	55.50
From Germany to:						
Calif.	45.20	57.54	55.54	53.18	63.35	69.90
Fla.	38.60	52.98	50.08	47.87	57.52	66.96
Ky.	40.60	48.62	48.26	49.31	57.69	69.15
Md.	37.65	46.68	45.62	49.29	56.78	62.96
N.J.	41.60	50.11	48.90	51.79	57.35	68.66
N.C.	38.95	49.88	48.28	49.77	56.61	65.88
Okla.	40.90	51.80	50.50	47.72	56.34	67.34
Tex.	39.90	51.25	49.93	46.62	53.58	60.62
Va.	37.65	47.72	46.64	50.25	56.24	62.96

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APPENDIX III

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