

Management Instruction

Surface Intermodal/Rail Payments Manual Processing

This management instruction (MI) establishes the procedures for manual processing of payments to surface intermodal/rail suppliers when the suppliers are not paid through the Rail Management Information System (RMIS). This MI applies to payments for transportation services, accessorial services, and trailer repairs. For purposes of this instruction, both trailer and container are referred to as "trailer."

Scope

The Postal Service™ uses manual processing procedures when surface intermodal/rail trailers are transported over routes where (1) there are no contract rates in effect or (2) routing schemes do not exist. These types of routing occur in any one of the following scenarios:

1. When the dispatch office uses erroneous routing instructions.
2. When the origin or intermediate intermodal/rail supplier misroutes a trailer or enters erroneous data.
3. When the origin, intermediate point, or destination Postal Service facility enters erroneous data.
4. When an emergency routing is created.

Responsibilities

Headquarters

The Postal Service contracting officer (CO) for surface intermodal, National Mail Transportation Purchasing at Headquarters has the following responsibilities:

1. Awarding contracts.
2. Making modifications.
3. Ensuring that payments to surface intermodal/rail suppliers are timely.
4. Ensuring that corrective actions are taken to prevent delays.

Date	March 1, 2007
Effective	March 1, 2007
Number	MI PO-540-2007-1
Obsoletes	MI PO-540-2006-2
Unit	Logistics



Tony Pajunas
Vice President
Network Operations

CONTENTS

Scope	1
Responsibilities	1
Headquarters	1
Area Office Distribution Networks	2
Postal Service Accounting Service Center	2
Forms and Reports	2
Forms	2
Rail Management Information System Reports	3
Procedures	3
Employee Authorization	3
Validation of Routes and Rates	4
Processing	6
Report Errors	6
Routing Errors	6
Claims	7
Routing and Rate Errors	9
Detention and Misuse	10
Equipment Damage and Trailer Repair	11
Lost, Missing, and Unrecoverable Supplier Trailer	12
Exhibit A — Claims Form	13

Area Office Distribution Networks

The area office distribution networks (DNs) has the following responsibilities:

1. Investigating RMIS nonpayment, damage, detention, misuse, and other types of claims.
2. Receiving, verifying, and communicating with the supplier on supplier claim matters.
3. Compiling support documentation for each manual payment record.
4. Recording and reviewing the first-level, data-entry manual payment using PS Form 5994, *Payment Adjustment Authorization for Railroad Service Performed*.
5. Reviewing documentation and approving payments at the second-level approval and third-level contracting officer approval, as appropriate, based on the documentation and type of claim.
6. Establishing and maintaining the RMIS manual payment records file and retaining each record for a minimum of 2 years from the date of payment.

Postal Service Accounting Service Center

The Postal Service Accounting Service Center (ASC) in St. Louis, Missouri, processes payments and adjustments for surface intermodal transportation service and for service by third-party companies that support surface intermodal transportation.

Send correspondence for the ASC to the following address:

ACCOUNTING SERVICE CENTER
US POSTAL SERVICE
PO BOX 80191
ST LOUIS MO 63180-9191

Forms and Reports

Forms

Postal Service employees use Postal Service (PS) forms. Surface intermodal suppliers use Standard (SF) forms. SF forms are available on the Internet at: <http://www.gsa.gov/Portal/gsa/ep/formslibrary.do?formType=SF>.

The following forms are used in the manual payment process:

1. SF 95, *Claim for Damage, Injury, or Death*.
2. SF 1034, *Public Voucher for Purchases and Services Other Than Personal*.

3. PS Form 1902, *Justification for Billing Accounts Receivable*.
4. PS Form 5186, *Mail Movement Routing Instructions*.
5. PS Form 5994, *Payment Adjustment Authorization for Railroad Service Performed*.

Rail Management Information System Reports

The RMIS produces the following reports in support of surface intermodal service payments:

1. LAB304P3, *Detention Misuse Charges Incurred*.
2. LAB340P1, *Detention/Van Hold At Other Facility*.
3. LAB440P3, *Car Van Line Movement Report*.
4. LAB440P4, *Car Van Line Movement Report*.
5. LAB498P1, *Error Report*.

The Postal Service provides to surface intermodal suppliers the LAB304P3 report for detention and the LAB440P4 report for linehaul.

Procedures

Employee Authorization

Administrative Approval

Data entry employees who need administrative approval to process compensation through RMIS should complete an original, signed PS Form 1357, *Request for Computer Access*. Employees should then send the completed PS Form 1357 to the designated RMIS functional system coordinator at the area office DN.

Postal Service employees who are authorized to use individual logon IDs for data entry satisfy the certification and authentication criteria necessary to create records that pay linehaul and accessorial charges through normal RMIS processing.

RMIS PS Form 5994 Approval

Postal Service employees must have authorization from Postal Service Headquarters to access the RMIS PS Form 5994 payment system. Employees requesting authorization to pay intermodal/rail suppliers must submit PS Form 1357 to the CO for intermodal/rail, National Mail Transportation Purchasing at Headquarters. The CO reviews and processes the PS Form 1357. Once authorization is approved, the authorized employee's RMIS logon ID is modified with the appropriate approval level.

The following three levels of RMIS PS Form 5994 approval are programmed in RMIS:

1. The first level allows data entry of SP Form 5994 payment information.
2. The second level approves payment data entered.
3. The third level approves no rail contracts (NRCs), also known as “888” payments.

The DN maintains the second level of PS Form 5994 authorization and may with an additional logon ID approve at the third level. Except for damage claims, the RMIS PS Form 5994 payment system allows payment adjustments to be processed.

Validation of Routes and Rates

RMIS-Generated PS Form 5186

To minimize incorrect routing instructions caused by the Postal Service, all bulk mail centers (BMCs) and remote-dispatching units capable of generating electronic routing slips through RMIS must use the electronic PS Form 5186 to dispatch trailers.

Manually Completed PS Form 5186

When it is necessary to manually prepare a hard copy PS Form 5186, dispatch offices must record all routing instructions, including the first and last legs of transportation, on PS Form 5186 exactly as the instructions appear in the National Air and Surface System (NASS) routing. NASS routings are generated in the rail dispatch audit report and are spooled or sent electronically to printers at BMCs and supplied to the dispatching facility by the DN. PS Form 5186 must contain the contract segment number(s) for the appropriate intermodal/rail segment or a notation in line 13a, “Special Instructions,” indicating an NRC move.

RMIS Scheme Use

For every electronic and hard copy PS Form 5186, the dispatch office must ensure that the routing shown on PS Form 5186 agrees with the scheme selected in RMIS. This is significant because more than one intermodal/rail supplier or segment type may serve the same origin and destination pairing. An incorrect PS Form 5186 can cause incorrect payment(s) to the supplier(s).

RMIS LAB440P3 Report

RMIS batch processes linehauls and creates a payment accrual file. The St. Louis ASC generates a LAB440P3 report weekly and mails the report in duplicate to each intermodal/rail supplier. The report is used to verify the services rendered. Compatible suppliers may receive the report in an electronic format.

Rate Payment Reports

Various LAB reports are distributed weekly to BMCs, DNs, Headquarters, and intermodal/rail suppliers listing RMIS shipments and the associated rates.

Correctly Rated Movements

Intermodal/rail suppliers receive a weekly payment each Thursday for all linehauls completed the previous week ending on Friday. To be included in the payment, movements must have been processed through RMIS without errors and appear on the LAB440P3 report for the previous week.

Note: Intermodal/rail suppliers not receiving payment on a LAB440P3 report for a move completed in the prior week should research no less than 6 weeks of LAB440P3s before requesting a manual payment for a missing move. Trailers not initially appearing on LAB440P3 may be automatically paid on subsequent reports as errors are cleared.

Review of Lab 440P4 Report

The LAB440P4 report is distributed weekly to the origin BMC, DN, and Headquarters. Each DN is responsible for reviewing the report and ensuring that all movements during the specified week have the correctly applied rates.

Each DN must ensure timely review of the LAB440P4 report and annotate errors. The DN submits corrections directly to the ASC for adjustment within 5 business days of the week's ending date of the report. Errors identified after 5 business days cannot be adjusted at the ASC and must be processed at the DN using PS Form 5994.

Intermodal/rail suppliers are responsible for reviewing the LAB440P3 report to determine if the correct rates have been applied to linehaul and premium payments during the specified week. Intermodal/rail suppliers must note incorrect rates directly on the report, sign and date the report, and submit the report to the ASC for processing. The ASC verifies the existing contract rates and makes corrections to the rate master file (RMF). If an intermodal/rail supplier disagrees with an RMF rate, the ASC confers with the CO for intermodal/rail, National Mail Transportation Purchasing at Headquarters for the contractual rate. The ASC validates the payment.

Processing

Report Errors

The steps for reporting errors are as follows:

1. The intermodal/rail supplier redlines incorrect routings on the LAB440P3 report and submits a copy to the origin DN for reconciliation.
2. The origin DN determines which supplier actually performed the service and requests substantiating documentation and a written explanation (explanation can be in an e-mail format); explanation must include the cost of service from the transporting supplier.
3. The origin DN or BMC then requests from RMIS the van inquiry/van record (VI/VR) history reports in order to verify that payment has not occurred.
4. If payment is due, the DN or BMC completes PS Form 5994 to pay or deduct linehaul costs from all intermodal/rail suppliers involved in the move.

Routing Errors

Either the intermodal/rail supplier or the Postal Service may cause a misroute from incorrect routing instructions or incorrect data entry. A misroute in RMIS generates a LAB498P1 report. This report is spooled by RMIS weekly to the origin DN. The LAB498P1 report provides a comparison between the planned routing and the actual routing.

To correct a misroute, the following steps are needed:

1. Upon receipt, the origin DN annotates corrections directly on the LAB498P1 report; signs and dates the report; and returns it to the Transportation Section at the St. Louis ASC.
2. The ASC corrects the error in the payment file and recycles the record for inclusion in the next week's LAB440P3 report payment or deletes the record for manual payment processing.
3. The ASC returns to the origin DN any corrected LAB498P1 reports failing to pass the edit process.

Intermodal/Rail Supplier Routing Errors

If an intermodal/rail supplier mishandles a trailer, an adjustment may be required to certify intermodal/rail payment. Supplier routing errors occur when the supplier transports a trailer over a route for which there was no rate or no contract segment. Payment adjustments are added or deducted from the planned supplier pay based on the difference in cost between the planned routing and the actual routing.

Routing Errors Causing Higher Costs

Incorrect instructions from a prime or lead supplier may cause a joint or secondary supplier to perform unplanned service. When the total cost of all services for a movement exceeds the planned cost, then the Postal Service pays the nonfault supplier for the cost of service performed and reduces the at-fault supplier's pay the difference between the total actual and planned costs. The Postal Service does not pay the intermodal/rail supplier for more costly routings as a result of the supplier's error.

Routing Errors Causing Lower Costs

Incorrect instructions from a prime or lead supplier may cause a routing to have a lower cost than the planned routing. The Postal Service reduces from the contract segment holder's pay the difference between the total actual and the total planned costs.

PS Form 5994 to Deduct Costs

The DN prepares, signs, and distributes a printed copy of PS Form 5994 deducting the difference from the account of the supplier responsible for the routing error. The DN must determine the appropriate corrective action to prevent recurrence and must advise the CO for intermodal/rail, National Mail Transportation Purchasing at Headquarters.

Postal Service Routing Errors

Routing errors caused by the Postal Service, such as issuance of an incorrect PS Form 5186 or erroneous instructions to supplier personnel, are handled the same as supplier routing errors except deductions are not made from the planned pay to suppliers.

Undetected Routing Errors

Routing errors may occur that cannot readily be detected by the dispatching or receiving offices. This situation usually happens when two or more suppliers are involved. The error goes undetected until one of the suppliers submits a claim for payment to the origin DN. Depending upon circumstances, the responsible DN researches and takes appropriate action to reconcile the error.

Claims

Intermodal/Rail Supplier Claim Submittal

Intermodal/rail suppliers must submit linehaul claims to the DN responsible for the origin facility of the actual move. Claim requests must include the following documents at a minimum:

1. A standard cover sheet with the following information:
 - Date of request.
 - Supplier, contact name, and phone number.

- Date of dispatch or move.
 - Unit number.
 - Origin/destination Postal Service facilities.
 - Contract segment number.
 - Postal Service contract segment rate or requested dollar amount.
 - Waybill or reference number.
2. A copy of PS Form 5186 or accepted standard format electronic data interchange (EDI) 404 transmission from the Postal Service.
 3. A copy of a signed delivery receipt, if available. (*Note:* Contracts require suppliers to obtain a Postal Service signature on a delivery receipt. The supplier should collect and retain these receipts until payment is made.)

Suppliers should submit manual claims no earlier than 6 weeks after the move to allow for RMIS payment. Suppliers should allow a minimum of 8 weeks from the date the claim is submitted for claim processing and payment.

Postal Service Claim Processing

After receiving a properly completed claim request, the appropriate DN or BMC prepares a package of supporting documentation prior to entering PS Form 5994 into RMIS. The supporting documentation must include the following items and information:

1. Standard request cover sheet (see Exhibit A, Claims Form).
2. Date of receipt from the intermodal/rail supplier.
3. A copy of PS Form 5186 or an accepted standard format EDI 404 transmission from the Postal Service.
4. RMIS history (VI/VR) or detention van inquiry.
5. Verification of arrival at destination, such as arrival record of the delivery destination in a Postal Service computer application or a signed delivery receipt of the supplier. (*Note:* A copy of the computer application data screen can be pasted into a return e-mail, provided as an attachment to an e-mail, or sent by facsimile if an arrival record is provided by the destination office.)
6. Screen print of RMIS contract master rate or NRC agreement.
7. Copy of LAB330P1 report with corrections.
8. Screen print of detention display by holding facility.
9. Other information about van moves, detention, or repairs. Identify any improperly prepared or incomplete requests and communicate to the intermodal/rail supplier sender within 2 business days after receipt.

The intermodal/rail supplier must have the opportunity to resolve the claim using standard business communications. If appropriate, the DN may accept corrections from the supplier via facsimile or e-mail to facilitate claim processing.

If corrections from the supplier via facsimile or e-mail are inadequate to resolve the claim request disparity, the DN is to return the request to the sender within 7 business days after receipt along with a written explanation for the request's return. The DN notifies the supplier via facsimile or e-mail that the request is being returned.

All claims must be processed within 15 business days after receipt. Once a claim is validated and the DN processes the payment, the DN forwards a copy of the approved PS Form 5994 to the supplier or claimant as information. The DN maintains the records for a minimum of 2 years from the date of the payment.

Routing and Rate Errors

Processing Claims With Contract Rate

Upon receipt of a claim and substantiating documentation from an intermodal/rail supplier for a misrouted trailer, the origin DN or BMC must investigate the claim, determine if the claim is correct, and prepare an evaluation with supporting documentation. If the claim is valid and there is a rate for the service, the origin DN processes PS Form 5994 to initiate payment.

Processing Claims Without a Contract Rate

When a supplier's claim is valid and there is no contract rate for the service, the origin DN contacts the supplier's representative. The DN obtains the rate either in writing or in an e-mail. With the appropriate rate information, the origin DN processes PS Form 5994 to initiate payment by the ASC.

After Payment

After the ASC pays, the supplier must forward subsequent claims or corrections to the appropriate DN with the required supporting documentation. The DN investigates, verifies the claim and, if appropriate, initiates either a payment or deduction.

Amount Different Than Certified

When an intermodal/rail supplier requests payment for service that is either more or less than the amount certified by RMIS, the supplier is paid at the RMIS contract rate. If the intermodal/rail supplier claims the contract rate is in error, the supplier must contact the CO for intermodal/rail, National Mail Transportation Purchasing at Headquarters to resolve the discrepancy.

Movement Not Entered Into RMIS

Intermodal/rail movements completed and not entered into RMIS require the DN, BMC, or designated processing facility to prepare a PS Form 5994 explaining why payment is necessary. PS Form 5994 approval is limited to the DN and Headquarters.

Detention and Misuse

Detention/Misuse Billing and Use of LAB330P1 Report, Detention/Misuse Report

The ASC mails a LAB330P1 report weekly in duplicate to each intermodal/rail supplier with detention or misuse charges from that week. The intermodal/rail supplier reviews the accrued charges (for detention or misuse) and, if correct, bills the ASC using SF 1034. The intermodal/rail supplier sends the completed SF 1034 with a copy of the respective LAB330P1 report to the ASC. Compatible suppliers may receive the report in an electronic format.

Claims For Incorrect LAB330P1 Report Charges

If the intermodal/rail supplier determines that the LAB330P1 report has incorrect charges, he or she must return a copy of the LAB330P1 report to the St. Louis ASC highlighting discrepancies and providing reconciliation claim documentation. For accessorial charges not appearing on the LAB330P1 report, the intermodal/rail supplier must submit claim documentation to the responsible DN for reconciliation.

Reconciling Intermodal/Rail Supplier Detention and or Misuse Claims

The ASC reviews the LAB330P1 report and redlines discrepancies and documentation submitted by the intermodal/rail supplier. Charges included on the LAB330P1 report are reconciled. For any deductions or additional payments not on the LAB330P1 report, the DN must complete the accessorial section of PS Form 5994 in RMIS.

Postal Service Review of RMIS Detention and Misuse Data

The LAB304P3 report is distributed weekly to BMCs and DNs. The BMC or DN reviews the LAB304P3 report for errors. Corrections must be submitted directly to the ASC for adjustment within 5 business days of the week ending date of the report. Errors identified after 5 business days cannot be adjusted at the ASC and must be processed at the DN using PS Form 5994.

Postal Service Review For Detention Incurred by Private Mailer

The DN must also use the LAB340P1 report to bill private mailers for detention costs incurred by those facilities dispatching plant-load mail in intermodal/rail vans. Electronic accounts receivable may be created at the DN or PS Form 1902s may be submitted to the St. Louis ASC for reimbursement of detention costs.

Equipment Damage and Trailer Repair

Damage

DNs must determine the accuracy of each damage claim received. Each claim, with substantiating documentation, is investigated as the claim is received from the intermodal/rail supplier or third-party (nonrail) trailer supplier. If the Postal Service is liable, the DN responsible for the location where the claimed damage was reported researches and provides documentation as follows:

1. A written claim from the owner or agent including all correspondence about the claim.
2. An SF 95 for all claims in excess of \$500.
3. Documentation demonstrating that the trailer was in the possession of the Postal Service or its agent when the damage occurred.
4. Trailer inspection report from both origin and destination.
5. A brief explanation of how the damage occurred and why the Postal Service is liable.

Payment is authorized through PS Form 5994. The DN has the authority and responsibility for all PS Form 5994 contract payments except damage claims. For damage claims only, the DN must forward the documentation along with a screen print of PS Form 5994 with approval signatures directly to the Transportation Section of the St. Louis ASC for processing.

Repairs

The DN must recover expenses incurred by the Postal Service for repairs to trailers provided by the Postal Service. The DN may waive the cost recovery for repairs to trailers supplied by third-party steamship or nonrail companies when all of the following conditions are met:

1. The Postal Service used the trailer.
2. The repairs were made to facilitate timely delivery of the trailer.
3. The aggregate cost for repairs made to trailers furnished by an individual supplier is less than \$25 for the accounting period.

Lost, Missing, and Unrecoverable Supplier Trailer

The DN must investigate each incident involving a supplier trailer lost while in Postal Service possession. The DN must obtain all available evidence supporting the unrecoverable loss of the trailer including a copy of any police report, Postal Inspection Service or Office of Inspector General investigation, and plant management report stating facts about the lost trailer.

When the DN is assured that the trailer is unrecoverable, the DN obtains from the supplier a salvage value of the lost trailer. The DN should obtain comparable salvage value prices from other sources to ensure the supplier's salvage value amount is reasonable. The DN then processes payment to the supplier for the agreed upon salvage value amount in exchange for the title of ownership from the owner of the trailer, provided through the supplier.

If a salvaged trailer is found after having been purchased by the Postal Service, the DN works with the plant to determine if the trailer is road-worthy, to be used as storage, or to be sold or disposed of. After a decision is reached on disposition of the trailer, the DN provides the title of ownership to the plant or other appropriate party.

The salvage value amount should be charged to the plant responsible for the lost trailer. Under no circumstances is the salvage cost to be charged to a Headquarters finance number.

Claim Denial

If the DN denies the intermodal/rail supplier's claim, the DN must notify the supplier either in writing or in an e-mail and include supporting documentation and the reason(s) for the decision. If a claim is returned to the intermodal/rail supplier, the reason(s) for the return must be provided to the supplier, including instructions for resubmission of the claim. Claims must be processed within 15 business days after receipt.

Exhibit A — Claims Form (p. 1 of 2)

Instructions: How to Submit a Claim for Intermodal/ Rail Payment Manual Processing

1. Carefully research all payment tapes for 6 weeks before requesting manual processing.
 2. Submit manual claims no sooner than 6 weeks after a move to allow for RMIS payment.
 3. Submit claims to the appropriate DN office by Postal Service origin of move.
 4. Include a contact name, telephone number, and return address.
 5. Complete the standard request cover sheet accurately. Include:
 - Unit dispatch date.
 - Unit number.
 - Origin Postal Service facility or railyard (use Postal Service RMIS codes when possible).
 - Destination Postal Service facility or railyard (use Postal Service RMIS codes when possible).
 - Postal Service contract segment number.
 - Postal Service contract segment rate or requested dollar amount.
- Also, ensure that the request includes the waybill or reference number and a delivery receipt record signed by the Postal Service.
6. Attach supporting documentation in numeric order corresponding to the item number on the cover sheet.
 7. *Always* include a PS Form 5186 or accepted standard format EDI 404 transmission from the Postal Service.
 8. Allow a minimum of 8 weeks, from the date the claim is submitted, for claim processing and payment.
 9. Do not complete duplicate billing; contact the DN specialist by telephone for processing status.

Exhibit A — Claims Form (p. 2 of 2)

Claim for Rail Payment Manual Processing

Rail Carrier: _____ Contact: _____ Telephone No.: _____

Address: _____ Date: _____

Area Office, Distribution Networks: _____ Receipt Date at Area Office, DN: _____

Item #	Date of Dispatch (From Origin Facility)	Unit Number	Origin Postal Service Facility or Railyard	Destination Postal Service Facility or Railyard	Contract Segment Number	Contract Segment Rate or Dollar Amount of Claim	Waybill/ Freight Bill Number for Carrier Reference	Postal Service Status	
								P/I/D	Date of Action
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									

Status: P = paid; I = returned due to incomplete information; D = returned, denied.

Each claim must include PS Form 5186 or an accepted standard format EDI 404 transmission from the Postal Service.