

Management Instruction

Trailer Repositioning Program

The purpose of this MI is to establish uniform policy and procedures for accepting and using trailers furnished to the Postal Service for repositioning.

Definition

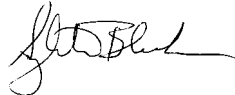
“Repositioning” means the relocation of a privately owned trailer by the Postal Service for the movement of mail or mail transport equipment. These trailers are loaded and dispatched via rail or highway service to designated destination or intermediate points. The Postal Service does not lease or own these trailers — instead, each trailer is furnished by a private company supplier (called the “trailer owner” in this Management Instruction). The trailer owner pays an administrative fee to the Postal Service for the service of having the trailer relocated.

Administration

The Area Office Distribution Networks (DN) office manager is responsible for administering the policies and procedures contained in this management instruction.

The Bulk Mail Center (BMC) general manager or designee is responsible for acceptance, inspection, and destination arrival notification of any tendered trailers. This responsibility may be delegated if, in the interest of the Postal Service, trailers are tendered directly to a facility other than a BMC. The BMC general manager or designee is also responsible for ensuring that tracking information, related to tendered trailers, is appropriately entered into the designated Information System (i.e., RMIS/TIMES/VTAPS) and for maintaining an activity log.

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Policy

The Postal Service may accept trailers from trailer owners for repositioning only when doing so serves the best interest of the Postal Service. These provisions are designed to recoup costs (in their entirety) incurred by the Postal Service in this repositioning service and transport at a lower linehaul cost.

Conditions of Acceptance

The Postal Service will accept trailers for repositioning under the following conditions.

Signed Agreement

A signed Agreement must be executed between the trailer owner's authorized representative and each DN office where trailers are received. Until such an Agreement is executed, no trailers can be accepted from any existing or new owner. A copy of the Agreement must be on file at the Area Office DN. This Agreement supersedes any existing agreements. See Exhibit 1 for a copy of this Agreement.

Administrative Fee

A \$100.00 administrative fee is assessed for each trailer tendered to the Postal Service. This fee is collected at the initial origin point only. No additional fee is assessed even if an intermediate point is utilized in the repositioning process. Upon tender to the trailer owner at the designated destination facility, the trailer will be considered to have completed an administrative cycle. If the owner wishes further repositioning services for that specific trailer, all administrative fees are again applicable. See "Billing Procedures" later in this management instruction.

Rate Difference

If the rail rate for USPS-supplied trailers is higher than the rail rate for railroad-supplied trailers as set forth in the current rail contract, the trailer owner will be assessed the additional cost to the Postal Service. Determine the proper additional cost as follows:

- a. If a rail rate exists between the point of acceptance/dispatch and the final destination, the cost to the trailer owner is based on that figure, regardless of the actual or planned routing used.
- b. If no joint line-thru rate exists between the origin and the final destination, and if the planned dispatch is built on a combination routing, the cost is based on the individual rate differences for each origin and destination segment used to route the trailer to the agreed destination. The final aggregate cost is not reduced by a lesser USPS rate on any of the individual segments. Use planned routings to determine cost factors.

Example: Suppose a trailer is being routed to destination “C” from origin “A” and the net cost of the individual segments are as follows:

A to B = USPS rate is \$100.00 more than the rail rate.

B to C = USPS rate is \$100.00 less than the rail rate.

Then the excess cost due to the Postal Service is \$100.00.

Premiums paid by the Postal Service for trailers of excess length must also be paid by the trailer owner. Excess-length trailers are identified in the Rail Management Information System (RMIS) Contract Master.

Prior to agreeing to accept trailers for repositioning, the DN office must review the planned route(s). If the linehaul cost is higher, the DN must notify the trailer owner of additional cost.

Containers

DN accepts containers for repositioning when doing so is in the best interest of the Postal Service. Generally, containers are shipped as trailers (Trailer on Flat Car, or TOFC). The trailer owner is responsible for tracking the chassis used with a container in order to prevent disassembly and/or misrouting by a rail carrier. It is important that all parties understand the difficulty of locating and realigning a container with a chassis when they become unintentionally separated. Unless specified otherwise by the trailer owner, the parties must from the outset ensure that each transport rail carrier understands that both the container and chassis must be moved as a single unit.

Repairs

Any repairs defined as “normal wear and tear” will be the responsibility of the trailer owner. Note: The administrative fee is not applicable toward maintenance or repair — it is compensation to the Postal Service for administrative costs incurred in the handling of the trailer. The collection of this fee does not in any way reduce the owner’s responsibility for any other costs incurred.

Trailer Inspection

Prior to acceptance, any trailer tendered for repositioning must be inspected by postal personnel experienced in trailer inspection procedures. Use PS Form 5201, *Mail Van Inspection*, or PS Form 4577, *Leased Vehicle Condition Report*, for all inspections. During the inspection process, the tractor is to remain attached to the trailer. If the trailer is found to be defective, the trailer must be removed immediately and the driver notified of the reason for rejection. No trailer repairs may be made on Postal property by the agent of the trailer owner. An exception may be made only when minor damage becomes apparent after initial acceptance by the facility. If requested by the trailer consignee at destination, an inspection will be made at the destination facility. This inspection will occur as the trailer is tendered back to the trailer owner.

Advance Notification

The DN office must inform the trailer owner that advance notification is required prior to the tender of trailers at the origin postal facility. The trailer owner must provide the following information to the origin postal facility prior to tendering any trailers:

- a. Company name as it appears on the signed Agreement.
- b. Number of trailers available.
- c. Identification number of each trailer.
- d. Final destination of each trailer.
- e. Contact name at destination.
- f. Telephone number of contact at destination.

Advance notification allows the originating office to evaluate its needs prior to the acceptance of any trailers. With advance notification, the originating office has the option to either accept the trailers on a proviso basis for inspection or refuse all or any part of the owner's equipment. Standing orders may be made regarding the number and frequency of trailers to be provided by regular owners after the Agreement has been signed and accepted by the Postal Service. The DN office must ensure that owners have paid applicable administrative fees in a timely manner before accepting additional trailers.

Trailer Length

Only trailers having lengths of 40, 45, 48, or 53 feet will be accepted in this program.

Operating Procedures

RMIS Data Entry

Rail Management Information System (RMIS) operators must enter owner-identification information into the RMIS System prior to dispatching USPS-furnished equipment. At a minimum, this information must include the following:

- a. The final destination of the trailer (as a facility code).
- b. The name and telephone number of the destination contact person.
- c. The name of the trailer owner providing the trailer for repositioning.

If a trailer is tendered without an alpha prefix, the RMIS operator must identify the trailer with the prefix "NONZ." If a trailer is tendered without a numeric suffix, the RMIS operator must identify the trailer with six zeros (000000).

Activity Log/Inspection Form File

An office that inspects and accepts trailers for repositioning must maintain an activity log of all trailers accepted at the facility. At a minimum, this log must contain the following information:

- a. Date of initial inspection.
- b. Result of inspection.
- c. Date of acceptance.
- d. Name of trailer owner.
- e. Telephone number of contact at destination.

Forms 5201 or Forms 4577 may be used as an activity log if they are maintained in chronological order or in alphabetical order by trailer owner. Inspection forms must be held for 90 days, unless a dispute arises, in which case the forms must be held until final adjudication.

Billing Procedures

To account for money due the Postal Service, the DN office must complete PS Form 1902, *Justification for Billing Accounts Receivable*. (See Exhibit 2 for a copy of this form and Exhibit 3 for a completed sample.) Debit receivable account 13490 (Accounts Receivable — Other — Miscellaneous), and credit account 53913 (Reimbursements and Cost Reductions — Miscellaneous Transportation). Forward the completed Form 1902 to the following address:

TRANSPORTATION SECTION
ST. LOUIS ACCOUNTING SERVICE CENTER
PO BOX 80191
ST. LOUIS MO 63180-9191

The Accounting Service Center (ASC) personnel will enter the data into the Oracle Accounts Receivable System (OARS). DN offices authorized by the ASC may enter accounts receivable billings directly into OARS.

Apply all administrative fees to Finance number 66-7550. At some future date, these fees will be applied to the proper finance numbers. Any recovery of additional linehaul costs must be applied to the origin DN finance number.

To monitor the payment performance of individual trailer owners, appropriate DN personnel will be able to make status inquiries into OARS. Selected postal personnel will complete PS Form 1357, *Request for Computer Access*, for security clearance and submit the form to the following address:

ORACLE COORDINATOR
INFORMATION SYSTEMS/ACCOUNTING SERVICE CENTER
2825 LONE OAK PKWY
EAGAN MN 55121-9350

Ensure that all items, particularly items 11 and 12, are completed. This access allows the DN office to determine when billings and payments are made. If payment has not been received within 30 days of initial billing, the DN office must notify the owner and the BMC or the appropriate facility that no trailers will be accepted until payment is received. If a USPS contractor is to be recommended for OARS access, an additional clearance form or forms may be required. Contact the USPS Inspection Service or the Minneapolis IS/ASC to determine the specific form(s) needed.

DNs must monitor trailer owners to ensure payment. If a company is delinquent, the DN must suspend the Agreement for trailer use and notify USPS Headquarters Transportation Modal Operations and Requirements.

Special Considerations

Intermediate Points/Destination DN

Prior to accepting trailers for repositioning, the origin DN office must contact the DN office responsible for either a destination and/or an intermediate facility. The following considerations must be met:

- a. The DN office that serves the area in which the destination or intermediate point is located concurs with the repositioning arrangements prior to the origin DN office accepting trailers.
- b. A rate evaluation is made to determine if the USPS rate is less than, equal to, or greater than the rail rate. (All rates applicable to this provision are found in the current rail contracts. See "Rate Difference" earlier in this management instruction.)

Destination Free (DF) Category Trailers

DF-category trailers are those that may be dispatched to any destination without any further tracking or monitoring. The Postal Service determines the routing but does not perform any tracking functions or maintain any repair responsibility for these trailers. Therefore, no administrative fee is charged. For payment purposes, DF trailers are considered rail-furnished trailers.

Rates found in the current rail Contract Master apply to the DF-category trailers. Do not accept trailers as DF-category if they are destination specific. Some companies that are normally considered DF-category trailer owners also supply trailers to the Postal Service for repositioning. Trailers for repositioning may be identified by (1) the absence of identification markings, and (2) the provision (upon being tendered) that the final destination is fixed. Any trailers tendered to the Postal Service under the above exceptions to the DF-category are considered to be USPS-furnished, and all fees and regulations apply.

Mailers as Trailer Owners

Trailer owners occasionally provide trailers directly to mailers who use the trailers to store their product prior to its acceptance and subsequent dispatch as mail. In these cases, an Agreement for trailer use must exist between the Postal Service and the trailer owner. The administrative and other fees will be collected directly from the trailer owner. As an alternative, the trailer owner and the mailer may execute an agreement that identifies the mailer as the party liable for payment of the administrative and other fees. In such cases, a copy of the executed agreement must be attached as an addendum to the Agreement for trailer use. Instructions regarding disposition of the trailer may be provided by either the trailer owner or mailer, and must also be included in the addendum.

Manufacturers as Trailer Owners

Trailer manufacturers sometimes use the Postal Service to reposition new trailers for their customers. In most instances, these trailers are designed for highway use and do not have lift pads or rub rails. The lack of these items often results in damage to the trailer during normal operations at a rail facility. The minor scrapes and dents that occur during the repositioning process by the rail carrier are thus considered "fair wear and tear." It is the responsibility of the manufacturer or the manufacturer's representative to take the precautions to prevent such damage. No reimbursement will be made for lack of such precautions. The DN office must notify the owner in writing regarding these precautions prior to acceptance at the postal facility. Failure to take preventive measures could result in rejection of the trailer. Examples of preventive measures include installing temporary rub rails and/or attaching plywood in areas where the rail crane will perform the lift operation.

Review Procedures

The DN office must perform quarterly reviews of facilities that perform acceptance functions to ensure that all equipment accepted and repositioned by the Postal Service is reflected in the monthly billing invoices and that procedures contained in this management instruction are being followed.

Liquidated Damages

The Postal Service has the right to not accept trailers, to not enter into an Agreement, or to terminate an Agreement at any time without any obligation to compensate for damages.

Costs for Repairs

Normal Wear and Tear

As stated in “Repairs” earlier in this management instruction, the trailer owner is responsible for repairs for normal wear and tear. Normal wear and tear is generally considered any repair that is not directly attributable to accidents, negligence, vandalism, and other exceptional circumstances. Repairs to trailer items such as lighting devices, reflectors and electrical equipment, coupling devices, brakes, wheels, tires, suspension systems, floors, walls, roofs, doors and door assemblies, frames, body components, glad-hands, lift pads, and other vehicle components that are not directly attributable to an exceptional act or cause are generally considered normal wear and tear. Normal wear and tear is not limited to items identified in this clause, and it can include any repair necessary to safely move the vehicle or return the vehicle to a pre-existing condition. The trailer owner is to identify a contact for en route repairs (as specified in the Agreement in the section entitled “Information To Be Provided by Trailer Owner,” Section B), and the trailer owner must pay the Postal Service for the reasonable cost of any necessary en route repairs.

Administrative Fee for Repairs

At the Postal Service’s discretion, the Postal Service may determine that trailer repair activities are significant and may charge the trailer owner for administrative costs related to arranging repairs to the owner’s trailers as well as billing and collection costs associated with those repairs. It is in the best interest of the Postal Service and the trailer owner to quickly and efficiently resolve repair, billing, and payment issues. Generally, Postal Service administrative costs should not exceed \$200.00 per incident, but they could be higher if payment for a repair incident is not quickly and clearly resolved. The Postal Service DN determines the specific incident administrative cost for activities related to repairs.

Agreement For Trailer Use

Agreement For Trailer Use

This Agreement between the United States Postal Service (hereinafter "Postal Service") and _____ (hereinafter "Trailer Owner") sets forth terms for the supply of trailers by the Trailer Owner for use in the transportation of mail and/or mail transport equipment (hereinafter "mail") by the Postal Service. For the purpose of this Agreement, "trailers" are defined as semi-trailers and containers, including the chassis, having nominal lengths of 40, 45, 48, or 53 feet.

This Agreement will be effective from _____ until _____ or for an indefinite period if no date is specified, but may be revoked upon ten (10) days written notice by either party. (Trailers in the possession of the Postal Service will be moved to the next immediate destination upon termination of the Agreement.)

Trailer Owner Agrees:

- A. To offer to the Postal Service, trailers in such quantities and at such times as the Trailer Owner may determine and the Postal Service agrees to accept, for transportation and use by the Postal Service between the following points:

- | | | |
|------------------|----|----|
| Origin Point(s): | 1. | 2. |
| | 3. | 4. |
| | 5. | 6. |
| | 7. | 8. |

- | | | |
|-----------------------|----|----|
| Destination Point(s): | 1. | 2. |
| | 3. | 4. |
| | 5. | 6. |
| | 7. | 8. |

- B. To pay a \$100.00 fee to the Postal Service for each trailer tendered for use. This fee is compensation to the Postal Service for administrative costs incurred in handling. This administrative fee in no way reduces the Trailer Owner's liability for repairs and other related costs as outlined below.
- C. To reimburse the Postal Service, in a timely manner, for additional costs incurred when using the Trailer Owner's trailer in lieu of a rail trailer when the linehaul rail rate paid by the Postal Service for non-railroad-furnished USPS-supplied trailers is greater than the rail rate paid for railroad-provided trailers. Premium rates for trailers of excess length must also be reimbursed by the Trailer Owner where applicable. The definition of excess length and rates/rate factor in the rail Contract Master are incorporated herein. In the event the Trailer Owner does not pay administration fees and repair expenses in a timely manner, the Trailer Owner agrees to reimburse the Postal Service for collection costs.

[Note: All reimbursable and administrative costs due the Postal Service as outlined in Sections B and C above and E below must be sent directly to the St. Louis Accounting Service Center (ASC), Transportation Section, at the address noted below. All checks must be made payable to the "Disbursing Officer, U.S. Postal Service."]

TRANSPORTATION SECTION
ST. LOUIS ACCOUNTING SERVICE CENTER
PO BOX 80191
ST. LOUIS MO 63180-9191

- D. That the Postal Service may use trailers free of charge for the transportation of mail between origin and destination points. The means of transportation will be determined by the Postal Service and may be performed by the Postal Service, or its highway or rail contractors, or a combination thereof.
- E. That trailers will be properly registered and licensed for highway and/or rail transportation between origin and destination points prior to acceptance. In the event that a trailer is not properly registered and licensed and the Trailer Owner does not provide proper licensing within six (6) hours after notification, the Trailer Owner agrees to pay the Postal Service the reasonable cost of unloading mail from the trailer and loading it into another licensed trailer. The Trailer Owner will also be liable for any licensing fees paid by the Postal Service, any fines resulting from improperly registered and/or licensed trailers, and storage charges of \$25.00 per day, applicable 72 hours after notification of availability for pickup.
- F. To tender trailers to the Postal Service at the locations listed in Section A, Origin Point(s), above.
- G. That trailers will be in a safe and roadworthy operating condition upon tender to the Postal Service. The Trailer Owner will pay the Postal Service the reasonable cost of any necessary en route repairs to trailers performed by the Postal Service or its agents. Such repairs include repairs that are necessary for the safe and lawful transportation of the trailer to its destination point. Such repairs do not include repairs for damage caused by the Postal Service or its agents.
- H. That the height of the trailers from the ground to the floor of the trailer will not be less than 48 inches or more than 52 inches. The length of the trailers will be 40, 45, 48, or 53 feet in length. Floors of trailers having ribbed floors with ribs more than one inch apart must be completely covered with plywood. The Postal Service will refuse to accept any trailer not meeting these standards, or not in safe operating condition. It is the responsibility of the Trailer Owner to ensure that any refused trailer is promptly removed from Postal property.
- I. To pick up the trailer from the final destination within 72 hours of receiving notification of its availability by the Postal Service. Final destinations are listed in Section A, Destination Point(s), above. Failure to pick up the trailer within 72 hours after notification will absolve the Postal Service of any responsibility for storage, security, or maintenance of the trailer. The owner is liable for storage charges of \$25.00 per day, applicable 72 hours after notification of availability for pickup.

The Postal Service Agrees:

- A. To accept trailers from the Trailer Owner as appropriate for the needs of the Postal Service, and to arrange for transportation between origin and destination points. The Postal Service will make trailers available to the Trailer Owner within a time period not to exceed twenty-eight (28) days. However, no right to damages will occur to the Trailer Owner if a trailer is not made available by the Postal Service within 28 days.
- B. To make a reasonable effort to choose routings that will minimize additional costs to the Trailer Owner.
- C. To reimburse the Trailer Owner for the reasonable costs borne by the Trailer Owner for repair of damage caused by the negligence of the Postal Service or its agents (except normal wear and tear) or loss of trailers incurred between the acceptance by the Postal Service and their return to the custody of Trailer Owner or its agent by the Postal Service.

Information To Be Provided by Trailer Owner:

- A. Name, address, and telephone number of person to contact about administration of this Agreement, and also tax ID number (or business SSN):

NAME: _____

ADDRESS: _____

CITY: _____ STATE: _____ TELEPHONE: _____

TAX ID NUMBER (or business SSN) _____

- B. Name and telephone number of person to contact about en route repairs to trailers:

NAME: _____ TELEPHONE: _____

- C. Name and telephone number of person(s) to contact at each destination point to arrange for pick up of trailers by Trailer Owner:

LOCATION: _____

NAME: _____ TELEPHONE: _____

LOCATION: _____

NAME: _____ TELEPHONE: _____

LOCATION: _____

NAME: _____ TELEPHONE: _____

LOCATION: _____

NAME: _____ TELEPHONE: _____

FOR THE UNITED STATES POSTAL SERVICE,

DATE: _____

(Signature)

(Printed Name)

Title: _____

FOR THE TRAILER OWNER,

DATE: _____

(Signature)

(Printed Name)

Title: _____

Authorized Representative

PS Form 1902, Justification for Billing Accounts Receivable

Justification for Billing Accounts Receivable

U.S. Postal Service Date Prepared		From: (Preparing office identification)	
To: (Check proper box) <input type="checkbox"/> MNASC <input type="checkbox"/> SLASC <input type="checkbox"/> SMASC			
1. Name of Debtor		2. Employee's SSN	3. Amount of Debt
4. Address of Debtor (If debtor was or is a postal employee, state also, postal installation and employee's payroll number)			
5. Circumstances of Debt (Describe nature of debt, supply enough detail so that debtor will not need to request further information)			

6. When Billing Is for a Revenue Item, or Is a Reduction of a Post Office Expense:	a. Post Office Name	b. Cost Center	c. Finance No.	d. Sub-location	e. CAG	f. FAC
7. If Debt Is for an Overpayment, or Erroneous or Improper Payment Give:	a. Date or Period When Overpayment Was Made	b. General Ledger Expense Account No.	c. Name of Accountable Certifying or Disbursing Officer			

I certify that I have officially determined that this debt is due the U.S. Postal Service.

(Type or print name)

(Signature of postal official or employee)

(Telephone No.)

For Accounting Service Center Use Only							
Debit on Billing	A/C 13490	A/C 13465	A/C 13470	A/C 22221	A/C 22223	A/C 22240	A/C 22242
	A/C 13110	A/C 22410	A/C	A/C	A/C	A/C	Credit on Collection A/C
Credit on Billing	A/C	A/C	A/C	A/C	Invoice No.	Invoice Date	F.Y.

TransFORM PS Form 1902, September 1994

PS Form 1902, Justification for Billing Accounts Receivable (Completed Sample)

U.S. Postal Service		Justification for Billing Accounts Receivable	
Date Prepared 00/00/00		From: (Preparing office identification) DN Office Name DN Office Address	
To: (Check proper box) <input type="checkbox"/> MNASC <input checked="" type="checkbox"/> SLASC <input type="checkbox"/> SMASC			
1. Name of Debtor John Doe Inc.	2. Employee's SSN 11-111111	3. Amount of Debt \$100.00	
4. Address of Debtor (If debtor was or is a postal employee, state also, postal installation and employee's payroll number) 123 Main Street Anywhere VA 22304-0000			

5. Circumstances of Debt (Describe nature of debt, supply enough detail so that debtor will not need to request further information)

RECOVERY OF ADDITIONAL LINE HAUL COSTS (EXHIBIT II)

Explanation of billing.

(*) Enter Origin

DN Finance Number

6. When Billing Is for a Revenue Item, or Is a Reduction of a Post Office Expense:	a. Post Office Name DN Name	b. Cost Center	c. Finance No. (*)	d. Sub-location	e. CAG	f. FAC
7. If Debt Is for an Overpayment, or Erroneous or Improper Payment Give:	a. Date or Period When Overpayment Was Made	b. General Ledger Expense Account No.	c. Name of Accountable Certifying or Disbursing Officer			

I certify that I have officially determined that this debt is due the U.S. Postal Service.

DN Name of Manager

(Type or print name)

222-222-2222

(Telephone No.)

(Signature of postal official or employee)

For Accounting Service Center Use Only							
Debit on Billing	A/C 13490 \$100.00	A/C 13465	A/C 13470	A/C 22221	A/C 22223	A/C 22240	A/C 22242
	A/C 13110	A/C 22410	A/C	A/C	A/C	A/C	Credit on Collection A/C
Credit on Billing	A/C 53913 \$100.00	A/C	A/C	A/C	Invoice No.	Invoice Date	F.Y.

TransFORM PS Form 1902, September 1994

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