

Management Instruction

Rail Payments Manual Processing

This management instruction (MI) establishes manual processing procedures for reconciling compensation to rail carriers when they are not paid through the Rail Management Information System (RMIS) for transportation service, accessorial service, or trailer repairs.

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Unit	Logistics
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Scope

Manual processing procedures must be used when rail trailers are transported over routes where contract rates are not in effect or routing schemes do not exist. These situations occur when the dispatch office uses erroneous routing instructions; the origin or intermediate rail carrier misroutes a trailer or enters erroneous data; the origin, intermediate point, or destination U.S. Postal Service facility enters erroneous data; or, when an emergency routing must be created.

Responsibilities

Headquarters

The Postal Service contracting officer (CO) for rail, Headquarters, National Mail Transportation Purchasing, is responsible for contract award, modifications, and ensuring payments to rail carriers are made in a timely manner and that appropriate corrective actions are taken to prevent delays.

Accounting Service Center

The Postal Service Accounting Service Center (ASC) located in St. Louis, MO. processes payments and adjustments for rail transportation service and the service of third party companies that support rail transportation.

Send correspondence to:

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

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Procedures

Employee Authorization

Administrative Approval

Data entry employees seeking administrative approval to process compensation through RMIS should submit an original signed PS Form 1357, *Request for Computer Access*. The completed PS Form 1357 should be sent to the designated RMIS functional system coordinator at the area office, Distribution Networks (DN). The authorization given to Postal Service employees through the assignment and use of individual logon IDs for data entry satisfies the certification and/or authentication criteria necessary to pay linehauls and accessorial charges through normal RMIS processing.

RMIS 5994 Approval

Before accessing the RMIS 5994 payment system, Postal Service employees must have authorization from Postal Service Headquarters. Employees requesting authorization to pay rail carriers must submit PS Form 1357, *Request for Computer Access*, to the CO for rail at Headquarters, National Mail Transportation Purchasing. The CO reviews and processes the submitted PS Form 1357. Once approved, the employee's RMIS logon ID is modified with the appropriate approval level. There are three levels of 5994 approval currently programmed into RMIS. The first level allows data entry of 5994 payment information; the second level is required to approve payment data entered; the third level is specific to approval of no rail contract (NRC, also known as "888") payments. The DN maintains the second level of 5994 authorization and may, with an additional logon ID, approve at the third level. Except for damage claims, the RMIS 5994 payment system allows payment adjustments to be processed.

Validation of Routes and Rates

Use of PS Form 5186

1. *RMIS Generated Form 5186*

In order 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, *Mail Movement Routing Instructions*, to dispatch trailers.

2. *Manually Completed Form 5186*

When it is necessary to prepare a manual PS Form 5186, dispatch offices must record all routing instructions, including the first and last legs of transportation on PS Form 5186, exactly as they appear in the

FORMS

SF 95, *Claim for Damage, Injury, or Death*

SF 1034, *Public Voucher for Purchases and Services Other than Personal*

PS Form 1902, *Justification for Billing Accounts Receivable*

PS Form 5186, *Mail Movement Routing Instructions*

PS Form 5994, *Payment Adjustment Authorization for Rail Service Performed*

RMIS REPORTS

LAB304P3, *Detention Misuse Charges Incurred*

LAB340P1, *Detention/Van Hold At Other Facility*

LAB440P3, *Car Van Line Movement Report*

LAB440P4, *Car Van Line Movement Report*

LAB498P1, *Error Report*

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 rail segment or a notation in line 13a. *Special Instructions*, indicating an NRC move.

3. *RMIS Scheme Use*

For every PS Form 5186, but especially when a manual PS Form 5186 is created, the dispatch office must ensure that the routing shown on the PS Form 5186 is in agreement with the scheme selected in RMIS. This is significant because more than one rail carrier or segment type may serve the same origin and destination pairing. An incorrect PS Form 5186 can cause incorrect payment(s) to the rail carrier(s).

RMIS Report LAB440P3

RMIS batch processes linehauls and creates a payment accrual file. Report LAB440P3, *RMIS Car Van Line Movement Report* is generated weekly by the St. Louis ASC and mailed in duplicate to each utilized rail carrier for verification of services rendered.

Rate Payment Reports

Various LAB reports are distributed weekly to BMCs, DNs, Headquarters, and rail carriers listing car van line movements and the associated rates.

1. *Correctly Rated Movements*

Rail carriers 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: Rail carriers not receiving payment on LAB440P3 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.

2. *Review Reports and Identify Errors*

- LAB440P4, *RMIS Car Van Line Movement Report*, is distributed weekly to the origin BMC, DN, and Headquarters. Each DN is responsible for reviewing this report and ensuring that all movements during the specified week have the correctly applied rates.

- Each DN must ensure timely review of the LAB440P4 and annotate 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, *Payment Adjustment Authorization for Rail Service Performed*.
- Rail carriers are responsible for reviewing the LAB440P3 to determine if the correct rates have been applied to linehaul and premium payments during the specified week. Rail carriers must note incorrect rates directly on the report, sign and date it, and submit it to the ASC for processing.
- The ASC verifies the existing contract rates and makes corrections to the rate master file (RMF).
- If a rail carrier disagrees with an RMF rate, the ASC confers with the CO for rail, Headquarters, National Mail Transportation Purchasing, for the contractual rate. The ASC substantiates the payment.

Processing

Report Errors

The rail carrier redlines incorrect routings on LAB440P3 and submits a copy to the origin DN for reconciliation. The DN determines which carrier actually performed the service and requests substantiating documentation and a written or e-mail explanation — including the cost of service from the transporting rail carrier. The DN or BMC then requests from RMIS the van inquiry/van record (VI/VR) history reports verifying that payment has not occurred. If payment is due, the DN or BMC completes PS Form 5994, *Payment Adjustment Authorization for Rail Service Performed*, to pay or deduct linehaul costs from all rail carriers involved in the move.

Routing Errors

Either the railroad or the Postal Service, as a result of incorrect data entry or incorrect routing instructions, may cause a misroute. A misroute in RMIS generates a LAB498P1, *Error Report*. This report is spooled by RMIS weekly to the origin DN. The LAB498P1 provides a comparison between the planned routing and the actual routing. Upon receipt, the DN annotates corrections directly onto the report, signs and dates it, and returns it to the Transportation Section at the St. Louis ASC. The ASC corrects the error in the payment file and recycles the record for inclusion

in the next week's LAB440P3 payment or deletes the record for manual payment processing. The ASC returns to the DN any corrected LAB498P1 reports failing to pass the edit process.

1. *Rail Carrier Routing Errors*

In the event a rail carrier mishandles a trailer, an adjustment may be required to certify rail payment. Rail carrier routing errors occur when the rail carrier transports a trailer over a route for which there was no rate and/or no contract segment. Payment adjustments are added or deducted from the planned rail 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 carrier may cause a joint or secondary carrier 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 carrier for the cost of service performed and reduces the at-fault carrier's pay the difference between the total actual and planned costs. The Postal Service does not pay the rail carrier for more costly routings as a result of the rail carrier's error.
- *Routing Errors Causing Lower Costs.* Incorrect instructions from a prime or lead carrier may cause a routing that has 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 rail carrier responsible for the routing error. The DN must determine the appropriate corrective action to prevent reoccurrence and must advise the CO for rail, Headquarters, National Mail Transportation Purchasing.

2. *Postal Service Routing Errors*

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

3. *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 carriers are involved. The error goes undetected until one of the carriers submits a claim for payment to the origin DN. Depending on circumstances, the responsible DN will research and take appropriate action to reconcile the error.

Claims

Rail Carrier Claim Submittal

Rail carriers must submit linehaul claims to the DN responsible for the origin facility of the actual move. Claim requests must include, at a minimum:

1. Standard cover sheet with:
 - Date of request.
 - Rail carrier, 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. Copy of PS Form 5186 or accepted standard format electronic data interchange (EDI) 404 transmission from the Postal Service.

Rail carriers should submit manual claims no sooner than six weeks after the move to allow for RMIS payment. Rail carriers should allow a minimum of eight weeks, from the date the claim is submitted, for claim processing and payment.

Postal Service Claim Processing

1. 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. Supporting documentation includes:
 - Standard request cover sheet. (See Exhibit A, *Claims Form*.)
 - Date of receipt from rail carrier.
 - Copy of PS Form 5186 or accepted standard format EDI 404 transmission from the Postal Service.
 - RMIS history (VI/VR) or detention van inquiry.
 - Verification of arrival at destination.
 - Screen print of RMIS contract master rate or NRC agreement.
 - Copy of LAB330P1 with corrections.
 - Screen print of detention display by holding facility.
 - Other pertinent information relative to van moves, detention, or repairs.

2. Improperly prepared or incomplete requests are identified to the rail carrier sender within 2 business days after receipt.
 - a. The rail carrier must be afforded the opportunity to resolve the claim using standard business communications. If appropriate, the DN may accept corrections from the rail carrier via fax or e-mail to facilitate claim processing.
 - b. If corrections from the rail carrier via fax 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 its return. The DN notifies the rail carrier via fax or e-mail that it is being returned.
3. All claims must be processed within 15 business days after receipt. Once a claim is validated and the DN processes the payment, he or she forwards a copy of the approved PS Form 5994 to the rail carrier or claimant as information.
4. 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 a rail carrier for a misrouted trailer, the origin DN or BMC must investigate the claim, determine if it 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 Contract Rate

When a rail carrier's claim is valid and there is *no* contract rate for the service, the origin DN contacts the rail carrier's representative. The DN obtains the rate either in writing or as 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 rail carrier 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 a rail carrier requests payment for service that is either more or less than the amount certified by RMIS, the carrier is paid at the RMIS contract rate. If the rail carrier claims the contract rate is in error, the carrier must contact the CO for rail, Headquarters, National Mail Transportation Purchasing to resolve the discrepancy.

Movement Not Entered Into RMIS

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/or Headquarters.

Detention and/or Misuse

Detention/Misuse Billing, LAB330P1, Detention/Misuse Report

RMIS LAB330P1 is mailed weekly, in duplicate, by the ASC to each rail carrier with detention or misuse charges from that week. The rail carrier reviews the accrued charges (for detention or misuse) and, if correct, bills the ASC using Standard Form (SF) 1034, *Public Voucher for Purchases and Services Other Than Personal*. The rail carrier sends the completed SF 1034 with a copy of the respective LAB330P1 to the ASC.

Claims for Incorrect LAB330P1 Charges

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

Reconciling Rail Carrier Detention and or Misuse Claims

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

Postal Service Review of RMIS Detention/Misuse Data

LAB304P3, *Detention Misuse Charges Incurred*, is distributed weekly to BMCs and DNs. The BMC or DN reviews this 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 Private Mailer Incurred Detention

The DN must also use LAB340P1, *Detention/Van Hold At Other Facility*, to bill private mailers for detention costs incurred by those facilities dispatching plant-load mail in rail vans. Electronic accounts receivable may be created at the DN or PS Form(s) 1902, *Justification for Billing Accounts Receivable*, 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 it is received from the rail carrier or third party (nonrail) trailer supplier. The DN responsible for the location where the claimed damage was reported will research and provide documentation if the Postal Service is liable as follows:

- A written claim from the owner or agent including all correspondence concerning the claim.
- SF 95, *Claim for Damage, Injury, or Death*, for all claims in excess of \$500.
- Documentation demonstrating that the trailer was in the possession of the Postal Service or its agent when the damage occurred.
- Trailer inspection report from both origin and destination.
- 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 authority and responsibility for all PS Form 5994 contract payments except damage claims. For damage claims only, the DN must forward the documentation outlined above along with a screen print of the PS Form 5994 containing 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 Postal Service furnished trailers. The DN may waive the cost recovery for repairs to trailers supplied by third party steamship and/or nonrail companies when all of the following conditions are met:

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

Claim Denial

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

Exhibit A — Claims Form (p. 1)

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

1. Research *all* payment tapes carefully six weeks prior to requesting manual processing.
2. Submit manual claims no sooner than six 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, phone 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 whenever possible).
 - Destination Postal Service facility or railyard (use Postal Service RMIS codes whenever possible).
 - Postal Service contract segment number.
 - Postal Service contract segment rate or requested dollar amount.
 - Make sure the request includes the waybill or reference number.
6. Attach supporting documentation in numeric order corresponding to item number on 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 eight weeks, from the date the claim is submitted, for claim processing and payment.
9. Do not complete duplicate billing; contact the DN specialist by phone for processing status.

Exhibit A (p. 2) — Claims Form

CLAIM FOR RAIL PAYMENT MANUAL PROCESSING

Rail Carrier: _____ Contact: _____ Phone #: _____
 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//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!