

JAN 0 2015



January 7, 2015

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Gentlemen: *Louis,*

The Postal Service proposes establishment of the *EAS Privately Owned Vehicle (POV) Program*. As you know, we have discussed with you development of a program that would address effectively and efficiently the concerns of those Postmaster and other supervisory/managerial employees who may agree to use their privately owned vehicles to perform Postal Service duties, such as street supervision, transport of mail, travel between/among Administrative Post Offices (APOs) and Remotely Managed Post Offices (RMPOs), or other official duties.

The enclosed proposal was developed after consideration of input and recommendations from your respective organizations and is provided for your review pursuant to Title 39 US Code § 1004 (d).

The Postal Service is working on development of the quote-request form and the Participation Agreement document referenced in the enclosure. We will provide these materials when they are completed.

This proposal provides for reimbursement to nonbargaining employees for costs, subject to the provisions outlined therein, the employees incur when the employees' voluntary requests to participate in the program are approved, and such participation makes it necessary for the employees to obtain insurance coverage greater than the personal insurance they already have.

NOTED
PRES: *[Signature]*
EXEC VP: _____
SECY: _____


To File

Board

Whether a nonbargaining employee participates in the proposed program and uses his or her privately owned vehicle for Postal Service duties remains voluntary. No employee will be required to participate.

Please contact Bruce Nicholson at extension 7773 as soon as possible regarding any questions or recommendations you may have, or to schedule a meeting to discuss this matter. We look forward to hearing from you soon about this matter of mutual interest and importance to you, your respective constituents, and the Postal Service.

Sincerely,



John Cavallo
Manager
Labor Relations Policy Administration

enclosure

OUTLINE EAS Privately Owned Vehicle (POV) Program

Executive Summary

The EAS Privately Owned Vehicle (POV) Program is designed to compensate supervisors and other nonbargaining EAS employees for the use of their privately owned vehicles for work-related purposes. Under the program, employees who use their privately owned vehicles for work-related purposes will be reimbursed for (a) their mileage, and (b) the cost of adding business use coverage or a commercial rider on their existing insurance policies, if necessary.

The program is strictly voluntary. No employee is required to participate in the program. Furthermore, management has complete discretion as to whether an employee may participate. Either the employee or management may discontinue the employee's participation at any time.

Step-by-Step Description

Step 1: Management or the employee identifies a business need for an EAS employee to use his or her privately owned vehicle for work-related purposes (e.g., the employee is a supervisor who must regularly perform street supervision, or is a Postmaster traveling to remotely-managed Post Offices (RMPOS), or is an MPOO).

Step 2: Management asks the employee whether he or she is willing to use his or her privately owned vehicle and provides the employee with information about the EAS POV program.

Step 3: If the employee is willing to use his or her privately owned vehicle, management verifies that the employee is eligible to participate in the program. Eligibility criteria include that the employee (a) has a valid driver's license (see Handbook EL-312 section 517), and (b) is qualified for a driving position (see Handbook EL-312 section 516).

Step 4: If the employee is eligible to participate in the program, management gives the employee a quote-request form. This form contains information regarding the program, describes the employee's anticipated driving activity (e.g., the employee will drive between a number of (RMPOS)), estimates the employee's anticipated work-related mileage, and provides notice of specific provisions that must be included in the insurance policy in question, including policy coverage in the same amounts as was provided to the employee in his or her current policy and an omnibus or other clause that provides coverage to the Postal Service as the insured's employer in situations where it is responsible for the otherwise insured actions of the employee. It will also provide notice that the policy cannot contain any specific exclusion of coverage for liability because it would otherwise be the responsibility of the United States, or payable under the Federal Tort Claims Act.

Step 5: The employee contacts his or her insurance provider and gives the provider the quote-request form.

Step 6: The insurance representative completes and returns the quote-request form to the employee. The representative, in the completed form, will either: (a) confirm that the employee will not need a business use policy or commercial rider for the work-related driving activities described and that his/her existing personal automobile insurance policy will cover these activities, or (b) provide the employee a quote for the business use policy or rider allowing the employee to use his or her privately owned vehicle for the work-related driving activities described. If the insurance provider is unwilling to complete the request form, the employee should obtain a copy of his or her current insurance coverage and current cost, along with a copy of the coverage with business use and expected cost.

Step 7: The employee then provides the completed quote-request form received from the insurance representative, along with a copy of the coverage page cost-summary of his or her existing insurance without the commercial-insurance rider, to his or her next level manager for review and further handling. (If the insurance company refused to complete the quote-request form, the employee provides only a copy of his or her current insurance coverage and current cost, along with a copy of the coverage with business use and expected cost.) If the employee will require a business use policy or commercial-insurance rider in order to use his or her personal vehicle for work-related purposes, then the manager will confirm that the cost of additional coverage does not exceed \$1,000 per year. The manager will also confirm that the coverage offered by the insurance company will adequately cover the employee's Postal-related driving. The manager should consult as needed with the district tort claims coordinator. If the coordinator is unavailable or otherwise unable to assist the manager, the manager should contact the National Torts Center. If, after consultation, the manager decides to approve payment of the business use policy or rider, then the manager will sign the quote-request form approving the request and authorizing the employee to obtain the business use policy or commercial rider. The manager will retain the signed form approving the employee's request for an insurance rider. The employee would then move forward to Step 8. If the manager disapproves the rider request, then he or she will indicate so in the form, advise the employee, and retain the completed form for reference.

If the employee leaves the program before the end of the insurance coverage for which he or she was reimbursed by the Postal Service, the employee will be required to refund the Postal Service for the cost of the remaining insurance coverage on a prorated basis (e.g., if the insurance-coverage duration is one year and the employee's participation ends after six months, the employee will be required to refund the Postal Service for one-half of the cost of this insurance). This requirement will be included in a Participation Agreement the employee will sign as a condition of his or her participation in the program.

Step 8: The employee obtains a business use policy or rider and provides management with all necessary documentation. This will include copies of the complete insurance policy, the coverage page reflecting specific costs, and an itemized invoice, if available. If an itemized invoice is not available, the employee must submit proof of the cost of the insurance prior to adding the business use or rider and the cost after. The invoice must show the cost for the insurance rider and it must prove that the employee paid for the rider.

Step 9: The employee submits a business use or rider invoice through eTravel for payment. **The employee must have obtained the business-use policy or rider (Step 8) before submitting an invoice for payment.** If the employee does not require a business use policy or rider because his or her personal insurance policy covers the identified work-related activities, then the employee will submit an eTravel request for zero dollars (for tracking purposes).

Step 10: The employee is reimbursed through eTravel for the cost of the business use policy or rider and begins using his or her privately owned vehicle for work-related purposes.

Step 11: In the event the employee is involved in a motor vehicle collision or other accident or incident while driving in the scope of his or her Postal Service duties, the employee must (a) report the incident immediately to his/her manager; (b) provide the police and any third parties involved in the incident with the commercial insurance rider information; (c) cooperate fully in the Postal Service's investigation of the incident, which includes completion of the PS Form 1769, PS Form 1700, SF-91, photographs, and statements; (d) submit the original investigative documents and jpegs of the photographs to the District Tort Claim Coordinator promptly; and (e) report the incident to his or her insurance company under the provisions of the commercial insurance rider policy paid by the Postal Service.

Step 12: In the event a claim is filed by a third party against the Postal Service for injuries or damages arising out of a motor vehicle collision or other accident or incident involving an employee driving his or her privately owned vehicle on Postal Service business under this program, the claim will be submitted to the employee's insurance company for potential resolution pursuant to the commercial insurance rider.

Step 13: In the event the employee sustains damage to his or her privately owned vehicle in a collision or incident occurring while the supervisor is conducting his or her Postal Service supervisory/managerial duties under this program, and the employee incurs the cost of the deductible for repairs to his or her vehicle, the employee will be reimbursed through eTravel for the cost of the deductible in an amount not to exceed \$500 upon submission of documentation establishing payment of the deductible amount. The manager will retain the documentation establishing payment of the deductible amount. The Postal Service will reimburse the cost of the deductible not to exceed \$500 unless the employee was violating Postal Service policy at the time of the accident (e.g., texting or talking on a cell phone while driving, driving while ability impaired).

Step 14: Periodic reviews (no less than annually) will be conducted at the district level to ensure the program is cost effective. The reviews should be conducted by the Manager, Operations Programs Support or by his or her designee.