

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
QUESTION 6 OF CHAIRMAN'S INFORMATION REQUEST NO. 27

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 27, issued on March 9, 2017. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

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March 16, 2017

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 27**

6. The liability for vehicle tort claims increased between FY 2015 and FY 2016. The Postal Service's National Trial Balance Reports show that account code "55107" for "US GOVT OWNED MOTOR VEHICLES TORT CLAIMS" increased from approximately \$47 million to approximately \$86 million.¹ Likewise, account code "55105" for "RURAL CARRIERS MOTOR VEHICLES TORT CLAIMS" increased from approximately \$697,000 in FY 2015 to more than \$2 million in FY 2016.
- a. Please explain why the liability for vehicle tort claims increased between FY 2015 and FY 2016.
 - b. Please discuss the FY 2017 safety plans or programs intended to specifically decrease the liability for vehicle tort claims.

RESPONSE:

a. Since the 2011 Collective Bargaining Agreements between the Postal Service and several employee unions, which expanded the role of non-career mail delivery drivers, there has been an increase in the number of motor vehicle accidents (MVAs). The corresponding impact on the number and cost of third party tort claims filed against the Postal Service has been somewhat delayed by the two years that third party complainants can wait before they file tort claims, and by the time spent adjudicating those claims or defending them in litigation. However, enough time has now passed that the increase in delivery accidents has resulted in a corresponding increase in MVA tort claims and payouts.

¹ Compare National Trial Balance, September, FY 2015, November 13, 2015, Excel file "National_Trial_Balance_-_Redacted_September_2015_(FY_2015).xls" with National Trial Balance, September FY 2016, November 15, 2016, Excel file "National Trial Balance - Redacted, September, 2016 (FY 2016).xls." The account description for account code 55107 states that "[t]his account is used to record the amount paid or payable for the administration settlement of motor vehicle claims under the Federal Tort Claims Act in which the postal employee was operating a U.S. government-owned vehicle." See Library Reference USPS-FY16-6, December 29, 2016, Excel file "FY16.6_F8_GL_Account_Descriptions.xlsx," column B, row 3541. The account description for account code 55105 states that "[t]his account is used to record the amount paid or payable for administrative settlement under the Federal Tort Claims Act of motor vehicle claims in which the postal employee was operating a rural carrier vehicle." *Id.* column B, row 3540.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 27**

Accident data among career and non-career positions indicate that the greater number of non-career drivers was the primary factor in this increased number of delivery-related accidents. The number of MVAs attributed to career carriers has remained largely flat, while those attributed to their non-career counterparts has increased out of proportion to the percentage of the carrier workforce that they occupy.

The increase in MVAs eventually also resulted in a corresponding increase in the number of MVA-related tort claims filed against the Postal Service.

In FY 2016, the increased number of MVA claims that were adjudicated or litigated to completion resulted in an increase in the resulting tort payouts compared to earlier years.

b. While the Postal Service does not have plans or programs in place in FY 2017 that specifically address reducing vehicle tort liability, its safety program includes various initiatives to improve the safety performance of all postal employees, including vehicle drivers. Details of such safety programs are as follows:

- Initiatives focused on reducing distracted driving
- Revised driver training program
- Communication on clearance and mirror adjustments
- Increased driver observations by supervisors with a focus on quality reviews
- Continuation of the Counseling at Risk Employee (CARE) process.