

Quarterly Performance for Presort First-Class Mail®

Overview

For Presort First-Class Mail®, the Postal Service's service performance measurement system uses documented arrival time at a designated postal facility to start the clock, and an Intelligent Mail® barcode (IMb™) scan by an external, third-party reporter to stop the clock. Mailpiece tracking from IMb™ in-process scans is used in conjunction with the external data to extrapolate results for this entire volume of mail. However, data collected by the Postal Service are provided to an independent, external contractor to calculate service measurement and compile the necessary reports. The system used for this reporting is called Intelligent Mail® Accuracy and Performance System (iMAPS).

The external contractor determines service performance based on the elapsed time between the start-the-clock event recorded by the Postal Service and the stop-the-clock event recorded by anonymous households and small businesses that report delivery information directly to the contractor. The service measure consists of two parts: (1) how long mailpieces take to get through processing, and (2) how long mail takes from the last processing scan to delivery. The second portion is used as a delivery factor differential to determine the percent of all Presort First-Class Mail® delivered on the last processing date versus the percent delivered after the last processing date. Service performance is measured by comparing the transit time to the service standards to determine the percent of mail delivered on time.

The service performance measures for Single-Piece First-Class Mail® flats (using the data from EXFC) and service performance measures for domestic Single-Piece First-Class Mail® parcels (using Delivery Confirmation™ data), serve as proxies for estimating the service performance for Presort First-Class flats and parcels.

The following service performance results combine the results for letter performance calculated by the iMAPS system with the proxy data to measure service performance for all Presort First-Class Mail®.

Limitations

In Quarter 2, a pilot system captured the information from a limited number of First-Class mailings testing aspects of Full-Service Intelligent Mail®. Systems were not in place to fully measure end-to-end service performance as is intended when the Full-Service Intelligent Mail® system is implemented. Validity of the start-the-clock event and the scope of system coverage had not met intended rigor.

Processes and systems were not in place to support the intended start-the-clock business rules defined in the Service Performance Measurement plan published in June 2008. For this quarter, the start-the-clock event was based on the very first read on mail processing equipment for a piece of mail within a mailing. To be included, the first read must have occurred at the expected origin processing facility. No critical entry time comparisons were applied to the data.

In Quarter 2, systems were not fully in place to measure the service performance for Presort First-Class parcels, which represent less than 0.05 percent of total Presort First-Class Mail®. As a result, the following service performance results use the Single-Piece First-Class parcel results as a proxy for Presort First-Class parcels performance.

Due to the limited system coverage in Quarter 2, there was not sufficient data to reliably report service performance at the postal district level. The results below present the service performance measure for postal administrative areas and the nation for cases where sufficient data was available. The limited number of mailing locations most significantly impacts overnight service performance measures in that only 48 postal districts are represented in these results. The mail volumes and the number of mailing dates were also limited in some cases, further impacting the reliability of the results.

The results for the quarter are presented with no geographic weighting. Because of the small group of mailers involved in the pilot, there is a significant difference between the mail flows available in the pilot data and overall Presort First-Class Mail® volumes.

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In Quarter 2, the USPS Product Tracking System used to measure service performance for parcels with Delivery Confirmation™ did not account for 5-digit ZIP Code exceptions to the service standards for Alaska 3-digit ZIP Code area 995. As a result, some parcels sent to or from this ZIP Code area may have been measured against a service standard one day less than the actual service standard.

Performance Highlights

Nationally, Presort First-Class Mail® performance improved from FY09 Quarter 2 for both the Overnight and Two-Day service standards. Service performance for FY10 Quarter 2 was impacted by a number of blizzards and other severe weather events, with the largest impact in the mid-Atlantic region of the U.S, which experienced the snowiest winter on record. Service performance scores are reported without adjustments even when circumstances outside the Postal Service's control limit access to delivery, sortation, transportation or collection locations, facilities or services. National overnight performance was 96.0 percent, exactly the same as the Single-Piece First-Class Mail® performance for Quarter 2. Pacific Area led the nation in Overnight service at 97.0 percent on time and in Two-Day service at 98.5 percent on time. Southwest Area led the nation in Three-To-Five-Day service with 88.9 percent on time.

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Unweighted Results Service Variance
Mailpieces Delivered Between 01/01/2010 and 03/31/2010

| Area | Overnight | | | Two-Day | | | Three-To-Five-Day | | |
|---------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days |
| Capital Metro | 97.8 | 99.5 | 99.7 | 96.9 | 98.9 | 99.5 | 92.5 | 96.1 | 97.0 |
| Eastern | 99.2 | 99.7 | 99.9 | 97.8 | 99.4 | 99.7 | 96.9 | 98.4 | 99.1 |
| Great Lakes | 99.2 | 99.6 | 99.7 | 96.7 | 98.6 | 99.1 | 93.4 | 97.2 | 98.0 |
| Northeast | 99.4 | 99.8 | 99.9 | 96.5 | 99.1 | 99.6 | 96.6 | 98.2 | 98.9 |
| Pacific | 99.6 | 99.8 | 99.9 | 99.7 | 99.9 | 99.9 | 96.9 | 98.5 | 99.0 |
| Southeast | 99.3 | 99.7 | 99.8 | 98.4 | 99.5 | 99.8 | 96.0 | 98.1 | 98.7 |
| Southwest | 99.1 | 99.6 | 99.7 | 97.9 | 98.9 | 99.2 | 97.1 | 98.4 | 98.9 |
| Western | 99.2 | 99.6 | 99.7 | 96.3 | 98.5 | 99.2 | 96.6 | 98.2 | 98.8 |
| Nation | 99.3 | 99.7 | 99.8 | 98.5 | 99.4 | 99.6 | 96.4 | 98.2 | 98.8 |

| Same Period Last Year | Overnight | | | Two-Day | | | Three-To-Five-Day | | |
|-----------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days |
| FY2009 Q2 | 98.7 | 99.3 | 99.5 | 97.2 | 98.4 | 98.9 | 96.6 | 98.2 | 98.8 |

| Previously | Overnight | | | Two-Day | | | Three-To-Five-Day | | |
|----------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|------------------------|
| | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days | Percent Within +1-Day | Percent Within +2-Days | Percent Within +3-Days |
| FY2010 Q1 | 99.3 | 99.7 | 99.8 | 98.9 | 99.6 | 99.8 | 97.0 | 98.9 | 99.5 |
| FY2009 Annual | 98.7 | 99.3 | 99.4 | 97.2 | 98.6 | 99.2 | 93.3 | 96.7 | 98.3 |

Service Measurement performed and calculated by IBM Corporation

