



U.S. POSTAL REGULATORY
COMMISSION

Postal Regulatory Commission

Strategic Plan



2012-2016

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Chairman's Message



My fellow Commissioners and I are pleased to provide this Strategic Plan as a road map for the Postal Regulatory Commission for the years 2012-2016. This plan is based on the Commission's realistic and forward looking assessment of the challenges ahead. In our role as the primary regulator of the Postal Service, we provide a window on the quality of service and the general operations of the Postal Service to Congress, stakeholders and the general public. This Strategic Plan begins with our Mission and Guiding Principles, which direct all Commission actions, and it outlines Strategic Goals and Implementation Strategies to help us fulfill our Mission. "Adaptability" has been added to our Guiding Principles as it will be essential to our continued efficient and effective service to the American people, given the uncertainty of the environment

surrounding today's postal services and products.

With the passage of the Postal Accountability and Enhancement Act (PAEA) in 2006, the Commission developed its first strategic plan to implement the goals set forward. By 2012, the Commission has substantially met the goals established by the 2008-2012 plan, and now is facing the task of leading in a rapidly changing and complex environment. The nation and the problems facing the Postal Service require the Commission to be adaptable and forward looking while providing strong leadership. Given the current environment, the Commission's work is more important than ever to ensure a postal system that is accessible, transparent, and financially secure.

Options for communications are vastly different today than they were when the Commission was first established in 1970. However, there is still a sizeable part of the U.S. population that depends on the mail to manage their lives and stay connected with their government. The postal system is of enduring value to the nation. This Strategic Plan seeks to reflect our commitment to the importance of the Postal Service. The need for collaboration, innovation and enlightened management of this essential institution has never been greater.

The Commission will play a vital role in the Postal Service's implementation of new efficiencies and cost controls to meet the challenges it faces. Transparency in this process is essential and this plan seeks to ensure that our efforts are clear to all. We look forward to working with our stakeholders on behalf of all who depend on the mail to chart a course that keeps the mail reliable, efficient and relevant for generations to come.

In developing our Strategic Plan, I would like to thank my fellow Commissioners, the senior leadership team, and Commission staff. Their leadership, hard work and assistance were instrumental in creating this plan to move the work of the Commission forward on behalf of the American people.

A handwritten signature in black ink that reads "Ruth Y. Goldway". The signature is written in a cursive, flowing style.

Ruth Goldway

About the Postal Regulatory Commission

The Commission is an independent agency that has exercised regulatory oversight over the Postal Service since its creation by the Postal Reorganization Act of 1970. Initially, this oversight consisted primarily of conducting public, on-the-record hearings concerning proposed rate changes, mail classification or major service changes, and recommending decisions for action by the postal Governors.

The Postal Accountability and Enhancement Act (PAEA), enacted on December 20, 2006, significantly strengthens the Commission's authority to serve as a counterbalance to new flexibility granted to the Postal Service in setting postal rates. The PAEA requires the Commission to develop and maintain regulations for a modern system of rate regulation, consult with the Postal Service on delivery service standards and performance measures, consult with the Department of State on international postal policies, prevent cross-subsidization or other anticompetitive postal practices, promote transparency and adjudicate complaints.

The PAEA also assigns continuing oversight responsibilities to the Commission, including annual determinations of Postal Service compliance with applicable laws, development of accounting practices and procedures for the Postal Service, review of the Universal Service Obligation, and assurance of transparency through periodic reports. Enforcement tools include subpoena power, authority to direct the Postal Service to adjust rates and to take other remedial actions, and levying fines in cases of deliberate noncompliance with applicable postal laws (Title 39 of the U.S. Code).

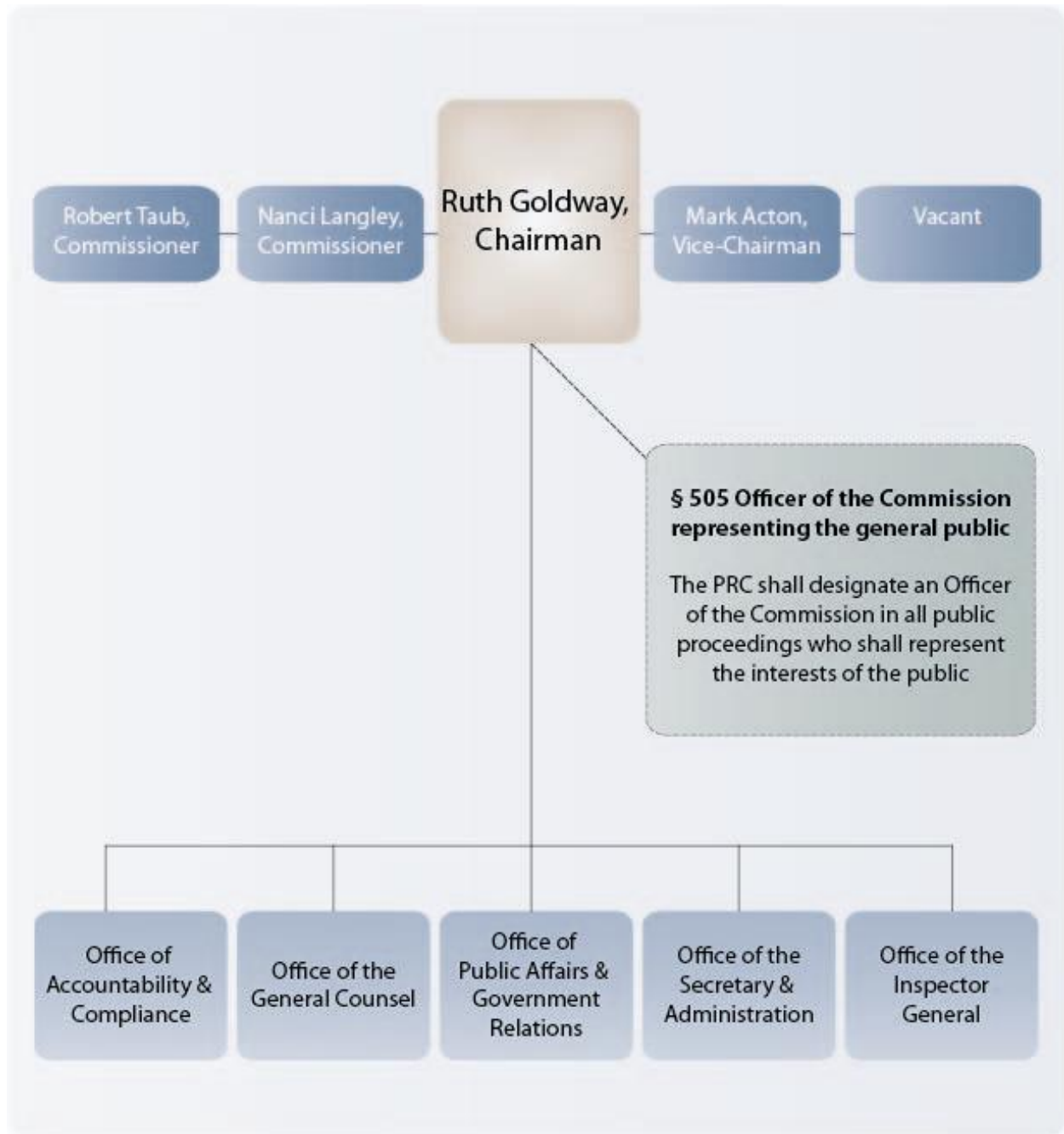
The Commission is composed of five Commissioners, each of whom is appointed by the President, with the advice and by consent of the U.S. Senate, for a term of six years. The Chairman is designated by the President and serves as the head of the agency. A Commissioner may continue to serve after the expiration of his or her term for up to one year. No more than three members of the Commission may be from the same political party.

Assisting the Commission is a staff with expertise in law, economics, finance, statistics, and cost accounting. The Commission is organized into four operational offices (presented in the Organization Chart on page 3):

- Accountability and Compliance
- General Counsel
- Public Affairs and Government Relations
- Secretary and Administration.

The Commission maintains an independent office for its Inspector General.

Organization Chart



Mission

Ensure transparency and accountability of the United States Postal Service and foster a vital and efficient universal mail system.

Guiding Principles

The Commission is committed to and operates by the principles of:

- **Openness**
 - *Public participation*
- **Integrity**
 - *Fairness and impartiality*
 - *Timely and rigorous analysis*
- **Merit**
 - *Commitment to excellence*
 - *Collegiality and multi-disciplinary approaches*
- **Adaptability**
 - *Proactive response to the rapidly changing postal environment*

Strategic Goals and Implementation Strategies, 2012-2016

Strategic Goal 1: Postal Service Accountability	
<i>Ensure transparent, effective, and lawful U.S. Postal Service systems and services.</i>	
Implementation Strategies	
<p>1.1 <u>Financial Accountability and Compliance:</u> <i>Ensure transparent, accurate, and informative Postal Service reporting sufficient for evaluation of lawful compliance and financial performance.</i></p> <ul style="list-style-type: none"> • Review and evaluate Postal Service financial data. • Analyze annual compliance reports from the Postal Service, determine Postal Service compliance, and report findings through an Annual Compliance Determination Report. • Enforce compliance determinations. 	
<p>1.2 <u>Service Performance Evaluation:</u> <i>Ensure appropriate and transparent Postal Service performance standards and measurements to promote an efficient, effective and responsive mail service.</i></p> <ul style="list-style-type: none"> • Execute a visible and effective advisory role in regard to Postal Service proposals for changes in the nature of U.S. postal services, such as proposed changes in nationwide services. Issue special reports on Commission evaluation of potential policy and systemic changes. • On an annual basis, evaluate compliance with standards for service performance (39 U.S.C. § 3653); continue to evaluate the extent to which the Postal Service must use an external versus an internal measurement system. • Consult on, revise, and augment performance standards and goals for market-dominant products. 	
<p>1.3 <u>Modern Rate and Product Regulation:</u> <i>Maintain and improve a predictable, transparent, and effective system of rate and product regulation.</i></p> <ul style="list-style-type: none"> • Refine and augment the modern system for regulating rates and classes for market-dominant products. • Assess and refine the rules, regulations, and systems established for the publication of relevant Postal Service data. • Review and evaluate Postal Service proposals to move products between market-dominant and competitive product classifications. • Review, analyze, and evaluate workshare discounts, negotiated service agreements, and market tests. Issue timely, accurate reports and findings on these reviews. 	
Summary Measurement Indicators	
<ul style="list-style-type: none"> • Timeliness and accuracy of Determination of Compliance reports; accuracy, completeness, and consistency of the Postal Service’s Sarbanes-Oxley data. • Timeliness, quality and usefulness of Postal Service periodic reports. • Timeliness for rate change applications, product proposals, negotiated service agreement reviews, and market test reviews; accuracy and completeness of data; customer/stakeholder satisfaction with process and regulations. 	

Strategic Goal 2: Public Access to Information and Participation

The Commission is accessible to all stakeholders, and ensures U.S. Postal Service accountability through a fair and open public complaint process.

Implementation Strategies

2.1 Commission Activities and Commission Participation with Government Agencies: *Ensure the Commission is visible and readily accessible to all.*

- Maintain and implement a comprehensive strategy for outreach to the public and media. Implement consistent messaging, updating, and branding for public documents and the Commission’s website.
- Continue to enhance government relations through proactive outreach and relationship building with Congress, the Executive branch, Federal, State, and local governments.
- Maintain a timely system to track, analyze, and respond to public and consumer inquiries and correspondence, including “informal complaints.”

2.2 Appeal and Complaint Process: *Ensure Postal Service accountability through fair and open appeal and public complaint processes that provide appropriate and timely resolution.*

- Consistently implement a transparent and equitable formal complaint system that provides timely and proper due process to complainants and the Postal Service.
- Develop procedures and resources for handling an expanding numbers of appeals and complaint cases, such as from Post Office closings.
- Identify patterns in appeals and complaints and order appropriate remedies to achieve compliance.

2.3 Representation of the Public in Commission Proceedings: *Assure informed and responsive representation of the interests of the general public in all Commission proceedings.*

- Conduct public outreach through traditional media, technology tools, and other methods to assure wide public notice of all Commission proceedings.
- Review and simplify processes through which members of the public may provide their input to the Commission’s decision-making processes.

Summary Measurement Indicators

- Number of forums available for public participation.
- Timeliness (90 days response standard) for decisions on complaints and appeals; percentage of Commission decisions either not appealed or sustained upon appeal.
- Number of public inquiries; number of Commission web site accesses; number of public comments on proposed regulations, decisions, and other issuances.

Strategic Goal 3: Infrastructure To Meet Mission

Ensure that the Commission has the physical, financial, technology and human capital infrastructure needed to accomplish its mission.

Implementation Strategies

3.1 Human Capital: *Enhance a system that fosters recruitment, development, and retention of a talented, skilled, diverse and adaptable workforce.*

- Continue to update the Human Capital Plan, including a succession plan, to ensure alignment of the workforce and work environment with the Commission’s mission. Monitor results of the Federal Employee Viewpoint survey, and implement solutions to achieve continuous improvement.
- Implement a performance management system that rewards outstanding contributions to the Commission, retains high performing staff, and addresses developmental needs of the Commission’s workforce.
- Identify and sponsor training and development opportunities to enhance the skills of employees in targeted competencies, including IT training and certification.
- Maintain and enforce up-to-date human resources policies and procedures (e.g., compensation, benefits, Equal Employment Opportunity) to ensure fair, consistent and sustainable application.

3.2 Program Integration and Support: *Adapt to the latest technology, operational systems, and organizational infrastructure in achieving Commission goals.*

- Physical Infrastructure: Ensure equipment and facilities are adequate, safe, and secure, and that Commission records are maintained in accordance with applicable policies and procedures.
- Financial Infrastructure: Develop and maintain the Commission’s annual budget, fiscal policies, and financial controls based on Administration guidance (e.g. Executive Orders) and standard U.S. Government requirements.
- Technology Infrastructure: Create a Commission Enterprise Architecture, continue to improve Document Management and Tracking System, and enforce up to date IT security requirements.

Summary Measurement Indicators

- Trend of favorable responses to the annual Federal Employee Viewpoint Survey; employee retention rates.
- Results of competency gap assessment and progress toward meeting identified mission-critical skill needs.
- Degree of compliance with guidance on financial management, information technology/IT security, contracts and procurement; timeliness and quality of support to Commission customers; customer satisfaction.

Accountability Plan

A significant component of the Commission's mission is to hold the Postal Service accountable. Likewise, the Commission will hold itself accountable for the successful and timely performance of the strategies outlined in its Strategic Plan. Additionally, it will make appropriate modifications to the implementation strategies over the course of the Plan.

Annual Work Plans

Commission leadership will assign each implementation strategy to an Office of Primary Responsibility. For example, the Office of Accountability and Compliance will be assigned Strategy 1.1 Financial Accountability and Compliance: *Ensure transparent, accurate, and informative Postal Service reporting sufficient for evaluation of lawful compliance and financial performance*. The Office of Primary Responsibility is responsible for developing an annual work plan to achieve the implementation strategy. The work plan includes:

- Activities
- Timelines
- Roles and responsibilities tied to individuals' annual performance plans
- Measurements indicators, including milestones and anticipated results

The Office Head will track the performance of the work plan, including the contributions and performance of individual staff members. The Office Head will deliver a progress report regarding each work plan to the Commissioners on an annual basis, or more frequently as necessary.

Reporting

The Commission will report on its progress, major accomplishments, and challenges related to each strategic goal and implementation strategy in the Annual Report to the President and Congress. The Annual Report will reflect the Commission's mission and strategic goals, thereby promoting transparency and alignment of the Commission's activities.

Conclusion

The means of communication and commerce for Americans have greatly evolved in recent decades due to advancements in the internet and other forms of communications. This evolution has impacted the number and types of correspondence and packages sent via the Postal Service, its customer base, and ultimately the way it does business. As the Commission charged with regulating the Postal Service in these times of change and uncertainty we must execute our full authority under the Postal Accountability and Enhancement Act (PAEA) of 2006. By establishing the goals in this Strategic Plan, and implementing the associated strategies with the strengths of openness, integrity, merit, and adaptability, we position ourselves for success.

The Commission will take a systematic approach to implementing programs aligned with each goal and reporting our progress to the President and Congress as described in the Accountability Plan. As the Postal Service adapts through the course of this Plan, so too will the Commission. We will monitor the utility of our Strategic Plan and its components and update it as necessary to meet our mission and emerging demands.