

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2018

Docket No. ACR2018

CHAIRMAN'S INFORMATION REQUEST NO. 10

(Issued February 7, 2019)

To clarify the Postal Service's fiscal year (FY) 2018 Annual Performance Report (*FY 2018 Report*) and FY 2019 Annual Performance Plan (*FY 2019 Plan*),¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than February 14, 2019.

Legal Issues

1. The Postal Service uses three non-public performance indicators to measure progress toward the High-Quality Service performance goal.² The *FY 2018 Report* states that the Postal Service is providing non-public service performance data for certain competitive products as part of the non-public annex of the *Annual Compliance Report*. *FY 2018 Annual Report* at 17 n.1.
 - a. Please list the non-public performance indicators.
 - b. Please identify the library reference in Docket No. ACR2018 that contains information on the non-public performance indicators.

¹ The *FY 2018 Report* and *FY 2019 Plan* are included in the Postal Service's FY 2018 *Annual Report to Congress*, which the Postal Service filed with the FY 2018 *Annual Compliance Report*. See *United States Postal Service FY 2018 Annual Report to Congress*, Library Reference USPS-FY18-17, December 28, 2018 (*FY 2018 Annual Report*).

² Docket No. ACR2017, Analysis of the Postal Service's FY 2017 Annual Performance Report and FY 2018 Performance Plan, April 26, 2018, at 17 (*FY 2017 Analysis*).

- c. In the *FY 2017 Analysis*, the Commission stated that to comply with 39 U.S.C. §§ 2803 and 2804, the Postal Service must file under seal “(1) FY 2018 and FY 2019 targets; and (2) comparable results from FY 2015 through FY 2018 for each non-public performance indicator. If the Postal Service does not meet a FY 2018 target, the Postal Service must explain why and describe the plans and schedules for meeting FY 2019 targets.” *FY 2017 Analysis* at 18. Please provide this information if it is not included in the library reference.
2. In the *FY 2017 Analysis*, the Commission stated that to comply with 39 U.S.C. § 2804(b)(1) in FY 2018, results expressed in the *FY 2018 Report* must be comparable to the targets the Postal Service set in the *FY 2018 Plan*. *FY 2017 Analysis* at 13. For each performance indicator, please confirm that the FY 2018 target and result listed in the *FY 2018 Report* are comparable.³ If not confirmed, please explain the methodology for calculating the FY 2018 target and express the FY 2018 result using that methodology.
3. In the *FY 2017 Analysis*, the Commission stated, “[t]o comply with 39 U.S.C. § 2804(c) next year, the *FY 2018 Report* must include comparable results for each performance indicator for, at a minimum, FYs 2015, 2016, 2017, and 2018.”⁴ If comparable results cannot be provided, the *FY 2018 Report* must either explain how to compare results across these fiscal years or explain why making this comparison is not feasible. *Id.*
 - a. In FY 2018, the Postal Service changed the methodology for calculating results of the Single-Piece First-Class Mail (2-Day and 3-5-Day) performance indicators by including data for letters, postcards, and flats

³ See *FY 2018 Annual Report* at 17. It appears that the FY 2018 Customer Care Center (CCC) target and result are not comparable. The FY 2018 target was based on satisfaction with live agents only while the FY 2018 result was based on both satisfaction with live agents and the Interactive Voice Response system. See *id.* at 17 n.5; Responses of the United States Postal Service to Chairman’s Information Request No. 2, January 28, 2019, question 6.d.ii. n.5 (Responses to CHIR No. 2).

⁴ *FY 2017 Analysis* at 15. For performance indicators added during FY 2018, the *FY 2018 Report* only needs to include FY 2018 results. *Id.*

only and excluding First-Class Mail parcels, which were transferred to the Competitive product list.⁵ In the *FY 2017 Analysis*, the Commission stated that to ensure comparability, “the *FY 2018 Report* must express results for FYs 2015, 2016, 2017, and 2018 using data for letters, postcards, and flats only and excluding parcels.” *FY 2017 Analysis* at 27-28.

- i. Please confirm that results for the Single-Piece First-Class Mail (2-Day and 3-5-Day) performance indicators for FYs 2015, 2016, 2017, and 2018 include data for letters, postcards, and flats only and exclude parcels. See *FY 2018 Annual Report* at 17.
 - ii. If not confirmed, please provide comparable results for the Single-Piece First-Class Mail (2-Day and 3-5-Day) performance indicators for FYs 2015, 2016, 2017, and 2018 using the same methodology. As an alternative, if comparable results cannot be provided, please explain how to compare results across these fiscal years or why making this comparison is not feasible.
- b. The FY 2018 result for the Business Service Network (BSN) performance indicator is not comparable to FY 2016 and FY 2017 results. Responses to CHIR No. 2, question 6.d.ii. Please provide comparable BSN results for FYs 2015, 2016, 2017, and 2018 using the same methodology. As an alternative, if comparable results cannot be provided, please explain how to compare BSN results across these fiscal years or why making this comparison is not feasible.
- c. The FY 2018 CCC result was calculated based on satisfaction with both live agents and the Interactive Voice Response system. Responses to CHIR No. 2, question 6.d.ii. n.5; 6.e. The FY 2018 result is not comparable to CCC results from FYs 2015 through FY 2017, which were

⁵ *United States Postal Service FY 2017 Annual Report to Congress* at 16; see Docket No. ACR2017, Library Reference USPS–FY17–17, December 29, 2017.

calculated based on satisfaction with live agents only.⁶ Please express the FY 2018 CCC result calculated based on satisfaction with live agents only. As an alternative, if a comparable FY 2018 result cannot be provided, please explain how to compare CCC results across these fiscal years or why making this comparison is not feasible.

- d. In FY 2017, the Postal Service stated that it calculated the FY 2017 Deliveries per Total Work Hour % Change (DPTWH % Change) result using full year Sunday delivery stops instead of partial year data.⁷
 - i. Please confirm that DPTWH % Change results for FYs 2015, 2016, 2017, and 2018 are calculated using the same methodology (including full year Sunday delivery stops). See *FY 2018 Annual Report* at 17.
 - ii. If not confirmed, please express DPTWH % Change results for FYs 2015, 2016, 2017, and 2018 using the same methodology. As an alternative, if comparable results cannot be provided, please explain how to compare results across these fiscal years or why making this comparison is not feasible.

Safe Workplace and Engaged Workforce

4. The Postal Service measures employee engagement using the Postal Pulse survey and evaluates progress using the Engagement Survey Response Rate. *FY 2018 Annual Report* at 22.
 - a. Please provide a copy of the Postal Pulse survey.
 - b. Please explain how the Postal Pulse survey was administered during FY 2018 (e.g., on site, on-the-clock implementation).

⁶ See *FY 2018 Annual Report* at 17 n.5; Responses to CHIR No. 2, question 6.d.ii. n.5.

⁷ Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 19, question 3.b., February 23, 2018.

- c. Please explain the methodology for calculating the Engagement Survey Response Rate. In the response, please provide for FY 2018 the number of surveys administered and the number of employees who responded to the survey.
- d. Please provide a table listing the FY 2018 Postal Pulse survey grand mean engagement score, as well as FY 2018 mean scores for each item on the survey (including Item 0 on overall satisfaction).

By the Chairman.

Robert G. Taub