

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

Periodic Reporting
(Proposal Ten)

Docket No. RM2020-2

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued December 19, 2019)

To clarify the Postal Service's petition to consider proposed changes in analytical principles, filed November 29, 2019, the Postal Service is requested to provide written responses to the following questions.¹ Answers to each question should be provided as soon as they are developed, but no later than January 2, 2020.

1. In Library Reference USPS-RM2020-2/1, folder "Constructing the Analysis Data Set," Excel file "April WSC Data.xlsx," please confirm that the data on the post offices in the Executive and Administration Schedule (EAS) system cover the total population of post offices in the EAS system, and not a sample extracted from the total population. If not confirmed, please explain.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Ten), November 29, 2019 (Petition). The following were filed on August 23, 2019, in support of the Petition: Library Reference USPS-RM2020-2/1, Public Material Relating to Proposal Ten; Library Reference USPS-RM2020-2/NP1, Nonpublic Impact Material Relating to Proposal Ten. Additionally, the Petition was accompanied by a study supporting its proposal. See Michael D. Bradley, *Investigating the Variability of Postmaster Costs**, November 29, 2019 (Bradley Study).

2. Please consider the following table derived from data provided in this proceeding. The columns under “No. of Post Offices” display the number of post offices in the data set that have Workload Service Credits (WSCs) below the Lower Zone of Tolerance (ZOT) or above the Upper ZOT.

Grade	Workload Service Credits (WSCs)			No. of Post Offices	
	Lower ZOT Limit	Grade’s Defining Range	Upper ZOT Limit	Below Lower ZOT	Above Upper ZOT
EAS-18		0–2075			
EAS-18B		2076–5500	6049		0
EAS-20	4951	5501–13000	14299	14	2
EAS-21	11701	13001–26000	28599	3	1
EAS-22	23401	26001–68200	75020	5	1
EAS-24	61381	68201–167200		3	
EAS-26		167201–			

Source: Bradley Study at 22, Table 7; *id.* at 27, Table 12; Library Reference USPS-RM2020-2/1, folder “Constructing the Analysis Data Set,” Excel file “April WSC Data.xlsx.”

The Bradley Study states “[i]n rare instances, an office’s workload increase or decrease could be so large that it skips the Zone of Tolerance and immediately has its pay grade changed.” Bradley Study at 1-2.

- a. Please describe the process by which the pay grade of an office changes when the WSCs increase or decrease beyond the grade’s ZOT.
- b. What is the delay between the reporting of WSCs and the change in the applicable pay grade?
- c. Does the change in the pay grade occur in a particular month of a given Fiscal Year or can it occur in any month?

- d. Please confirm that post offices included in the “Below Lower ZOT” column should be in the grade-level immediately below their reported grade-level. If not confirmed, please reconcile these numbers with the quoted material from the Bradley Study.
 - e. Please confirm that post offices included in the “Above Upper ZOT” column should be in the grade-level immediately above their reported grade-level. If not confirmed, please reconcile these numbers with the quoted material from the Bradley Study.
 - f. Please confirm that for each EAS grade-level, all WSCs should fall into either the Lower ZOT range, the Grade’s Defining Range, or the Upper ZOT range, *i.e.*, these three ranges should contain the entire set of WSCs pertaining to each grade-level. If not confirmed, please explain how the exceptions to the stated classification rule can be reconciled with the quoted material from the Bradley Study.
3. At page 1, the Bradley Study states:
- “If a post office’s workload is above the top of what is required for its current grade, it will be placed in the upper [ZOT], to see if the workload increase is sustained for two years. If so, then the pay grade will be changed and the Postmaster’s salary increased. Similarly, if a post office’s workload is below the bottom of what is required for its current grade, it will be placed in the lower [ZOT] to see if the workload decrease is sustained for two years. If so, the pay grade will be changed.”
- a. Please confirm that if a post office’s workload is below the bottom of what is required for its current grade and sustained for two years both the pay grade and the Postmaster’s salary will decrease. If not confirmed, please explain.

- b. Is it possible for a Postmaster's salary to change within a grade-level, *i.e.*, is it possible that a Postmaster's actual salary be different from the minimum salary of the applicable grade-level? If yes, please list the factors that determine Postmaster salary changes within a grade-level and provide appropriate figures illustrating the frequency of such an occurrence.
 - c. Please state whether the Postal Service considered using other variables in addition to WSCs, or instead of WSCs.
 - d. If other variables were considered, please explain why they were rejected.
 - e. If logistic regressions of the PS Form 150 specific to this proposal were run using variables other than WSCs, please provide copies of each SAS program, output, and log.
4. Please confirm that the Postal Service performs monthly collection of data from the electronic PS Form 150.
5. Please explain why the computation of variability is based on only the April 2019 WSC data.

By the Chairman.

Robert G. Taub