

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

ANNUAL COMPLIANCE REVIEW, 2020

Docket No. ACR2020

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-7 OF CHAIRMAN'S INFORMATION REQUEST NO. 2

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 2, issued on January 14, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

1. The Postal Service states that it did not set FY 2021 targets for the High-Quality Service performance indicators “due to the significant ongoing effects stemming from the COVID-19 pandemic on employee availability as well as surface and air transportation capacity.” *FY 2020 Annual Report* at 35-36.
  - a. Please explain how employee availability and surface and air transportation capacity affected the process for setting FY 2021 High-Quality Service targets.
  - b. Please provide FY 2021 targets for the High-Quality Service performance indicators. If FY 2021 targets have not yet been set, please explain why and provide an estimated date for setting FY 2021 targets.

**RESPONSE:**

- a. Fluctuating employee availability hampers the Postal Service’s capacity to set reliable targets for its performance indicators. The COVID-19 pandemic has tended to surge, unpredictably, in geographic pockets. Furthermore, due to contact tracing, these surges have shown a propensity to sideline large groups of employees in specific units or facilities, since positive COVID-19 test results can (and often do) ramify throughout a unit or facility’s employee network. (By way of illustration, assume that a tow motor operator tests positive. It may prove necessary to quarantine several more tow motor operators, all of whom have been in close contact with the first operator. That operator may have also been in contact with mail processors, truck drivers, and management, forcing yet more quarantines.) It is impossible to predict where these impacts will occur, how pervasive they will be, and how prolonged their lingering effects will last.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

Therefore, any assessment of their impact on service performance would rely heavily on speculation.

The same is true of Air and Surface Transportation Capacity, which has a direct bearing on the ability to move mail. As commercial air has not returned to pre-COVID-19 service levels, the number of flights has declined significantly, and this constricts the amount of air space available for the transportation of mail. With air capacity constrained, the Postal Service is forced to divert mail to ground transportation. At the same time, package volume is up across the industry and tractor-trailer operators are in high demand. Coupled with the ongoing pandemic, trucking firms are facing employee availability issues and hiring is constrained. These factors in combination hinder the ability of the Postal Service to contract and staff the ground transportation necessary to move packages and mail; as such, they impact on-time service performance. Because it is impossible to forecast how long the pandemic will continue, and how grave its impacts will prove to be, predicting service performance would rely heavily on speculation.

- b. The Postal Service will seek to set achievable targets given the conditions under which the Postal Service is currently operating, particularly given the ongoing impacts of the COVID-19 pandemic. The Postal Service will therefore employ criteria that aid in this determination, which may include past service performance results under various operating conditions, as well as consideration of how long the current operating conditions resulting from the COVID-19 pandemic are likely to last, though no final decisions have been made in this

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

regard. The Postal Service will look to have the High-Quality Service performance indicators finalized in PQ2-FY2021.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

2. In the FY 2020 Annual Performance Plan (*FY 2020 Plan*), the performance indicators measuring progress toward the Excellent Customer Experience performance goal were the Customer Experience (CX) Composite Index and seven component surveys: Business Service Network, Point of Sale, Delivery, Customer Care Center, Enterprise Customer Care, USPS.com, and Business Mail Entry Unit.<sup>1</sup> The Postal Service set FY 2020 targets for the CX Composite Index and each component survey. *Id.* However, in the *FY 2020 Report*, the only performance indicator measuring progress toward the Excellent Customer Experience performance goal is the CX Composite Index. See *FY 2020 Annual Report* at 33.
- a. Please explain whether the Postal Service used the seven component surveys as performance indicators for measuring progress toward the Excellent Customer Experience performance goal in FY 2020.
  - b. If the Postal Service no longer uses the seven component surveys as performance indicators for the Excellent Customer Experience performance goal, please explain why.

**RESPONSE:**

- a. The Postal Service used the seven component surveys as performance indicators for measuring progress toward the Excellent Customer Experience performance goal in FY 2020. The Customer Experience (CX) Composite Index is calculated based on the scores of the seven component surveys, which can be found on page 37 of the FY 2020 Annual Report to Congress.
- b. The Postal Service still uses the seven component surveys as performance indicators for the Excellent Customer Experience performance goal.

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<sup>1</sup> Docket No. ACR2019, Library Reference USPS-FY19-17, December 27, 2019, "FY19.Annual.Report.USPS.FY19.17.pdf," at 20 (*FY 2019 Annual Report*).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

The scores of these seven component surveys are used to calculate the Customer Experience (CX) Composite Index.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

3. Please refer to the FY 2020 targets and results for each performance indicator listed on page 33 of the *FY 2020 Annual Report*.
- a. For each performance indicator, please confirm that the FY 2020 target and result are calculated using the same methodology.
  - b. If not confirmed, for each performance indicator with a FY 2020 target that is not comparable to the FY 2020 result:
    - i. Please explain the methodologies used to calculate the FY 2020 target and result.
    - ii. Please provide a comparable FY 2020 result or explain why providing a comparable result is not feasible.

**RESPONSE:**

a.

**High Quality Service:** Confirmed.

**Customer Experience:** Confirmed.

**Safe Workplace:** Confirmed.

**Employee Engagement:** Confirmed.

**Controllable Income:** Confirmed.

**Deliveries for Total Work Hours:** Confirmed.

b. N/A

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

4. Please refer to results from FY 2017 through FY 2020 listed on page 33 of the *FY 2020 Annual Report*.
- a. For each performance indicator, please confirm that FY 2017 through FY 2020 results are expressed using the same methodology.
  - b. If not confirmed, for each performance indicator with non-comparable results:
    - i. Please explain the methodology used to calculate the result for each year from FY 2017 through FY 2020.
    - ii. Please provide comparable results for FYs 2017, 2018, 2019, and 2020 using the same methodology. If comparable results cannot be provided, please explain why and explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

**RESPONSE:**

a.

**High-Quality Service:** Not confirmed.

**Customer Experience Composite Index:** Not confirmed.

**Safe Workplace:** Confirmed.

**Engagement Survey Response Rate:** Confirmed.

**Controllable Income:** Confirmed.

**Deliveries for Total Work Hours:** Confirmed.

b.

i.

**High-Quality Service.** The FY 2020 Actual and FY 2019 Actual scores are sourced from the Service Performance Measurement (SPM) system.



## **RESPONSES OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

In FY 2017-FY 2018, data was sourced from legacy SPM systems (e.g. External First-Class Measurement System and Intelligent Mail Accuracy and Performance System). When comparing the service performance scores for FYs 2019 and 2020 to previous fiscal years, it should be noted that the legacy system and internal SPM system use different methodologies, and service performance scores produced by both of these systems are statistically valid, but they will not align precisely.

### **Customer Experience (CX) Composite Index Methodology**

- FY 2017: the CX Composite Index was based on the percentage of eCC cases that were reopened, and on scores of the BSN, POS, Delivery, and CCC (Live Agent only) surveys.
- FY 2018: the CX Composite Index was based on scores of the BSN, POS, Delivery, CCC (both Live Agent and Interactive Voice Response), eCC, Large Business Panel, USPS.com, and BMEU surveys.
- FY 2019 through FY 2020: the CX Composite Index was based on scores of the BSN, POS, Delivery, CCC, C360 (renamed from eCC), USPS.com, and BMEU surveys.

More detailed methodology changes to the Customer Experience (CX) Composite Index can be found in the footnotes on page 37 of the Annual Report to Congress.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

ii.

**High-Quality Service.** The external legacy service performance measurement system used to generate service performance scores for FYs 2017 and 2018 was retired at end of FY 2018. Thus, data for FY 2019 are not available from the legacy service performance measurement system. The Internal SPM system did not become the officially recognized service performance measurement system of record until the beginning of FY 2019 Quarter 1. Folders USPS-FY18-29 and USPS-FY19-29/USPS-FY20-29 describe the methodologies used to calculate service performance for FYs 2011-2018 and FYs 2019-2020 respectively; these references explain differences between the two measurement systems. As noted in the response to Question 4.b.i above, service performance scores produced by both of these systems are statistically valid, but they will not align precisely.

**Customer Experience.** Comparable results for the CX Composite Index are provided below for FY 2018 through FY 2020. Comparable results cannot be provided for FY 2017 because the USPS.com, BMEU, and eCC surveys were not yet developed.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018<sup>1</sup></b>
Customer Experience (CX) Composite Index	72.40	69.04	66.48
1. The FY 2018 CX Composite Index was recalculated with the current methodology by removing the LBP survey score (72.34).			

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

5. Please refer to the library reference containing information on the non-public performance indicators used to measure progress toward the High-Quality Service performance goal.<sup>2</sup>
- a. Please confirm that the FY 2020 target and result for each non-public performance indicator are calculated using the same methodology.
  - b. If not confirmed, for each non-public performance indicator with a FY 2020 target that is not comparable to the FY 2020 result:
    - i. Please explain the methodologies used to calculate the FY 2020 target and result.
    - ii. Please provide a comparable FY 2020 result or explain why providing a comparable result is not feasible.
  - c. For each non-public performance indicator used in FY 2020, please confirm that results from FY 2017 through FY 2020 are calculated using the same methodology.
  - d. If not confirmed, for each performance indicator with non-comparable results:
    - i. Please explain the methodology used to calculate the result for each year from FY 2017 through FY 2020.
    - ii. Please provide comparable results for FYs 2017, 2018, 2019, and 2020 using the same methodology. If comparable results cannot be provided, please explain either (1) how to compare results across these fiscal years or (2) why making this comparison is not feasible.

**RESPONSE:**

- a. Confirmed.
- b. N/A
- c. Confirmed.

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<sup>2</sup> Library Reference USPS-FY20-NP30, December 29, 2020, file "NONPUBLIC Preface USPS-FY20-NP30.pdf," at 3-5.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

d. N/A

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

6. Please confirm that FY 2021 results for the High-Quality Service, Excellent Customer Experience, Safe Workplace and Engaged Workforce, and Financial Health performance indicators will be comparable with FY 2020 results. If not confirmed, for each performance indicator with non-comparable FY 2020 and FY 2021 results, please explain the methodologies the Postal Service will use to calculate FY 2020 and FY 2021 results.

**RESPONSE:**

**High-Quality Service:** Confirmed.

**Excellent Customer Experience:** Confirmed.

**Safe Workplace:** Confirmed.

**Employee Engagement:** Confirmed.

**Controllable Income:** Confirmed.

**Deliveries for Total Work Hours:** Not applicable. Starting in FY 2021, the Deliveries for Total Work Hours metric will no longer be tracked as a corporate indicator.

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CHAIRMAN'S INFORMATION REQUEST NO. 2**

7. In FY 2021, for the High-Quality Service performance goal, Market Dominant Composite will be a new performance indicator that will replace the First-Class Mail Letter and Flat Composite and Marketing Mail and Periodicals Composite performance indicators. *FY 2020 Annual Report* at 33 n.5. Please describe any other changes in FY 2021 to the performance indicators or methodologies for calculating targets and results. For each change:
- a. Please provide the rationale for the change.
  - b. Please describe the methodology that will be used to calculate the FY 2021 target and result for the applicable performance indicator.

**RESPONSE:**

The Postal Service does not presently contemplate any other changes in FY 2021 to the performance indicators or methodologies for calculating targets and results.