

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

Annual Compliance Report, 2020

Docket No. ACR2020

CHAIRMAN'S INFORMATION REQUEST NO. 6

(Issued January 28, 2021)

To clarify the basis of the Postal Service's FY 2020 *Annual Compliance Report* (ACR), filed December 29, 2020,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 4, 2021.

Market Dominant Service Performance

1. Please identify the source system(s) and/or database(s) used to report the data presented in the Responses of the United States Postal Service to Questions 1-21 of Commission Information Request No. 1, January 15, 2021, questions 1.b. and 6.b. (Response to CIR No. 1).
2. Please provide the data underlying the charts presented in Response to CIR No. 1 questions 1.b. and 6.b. in an Excel Spreadsheet presenting the Postal Service employee availability percentage for each month and quarter of FY 2019, FY 2020, and the first quarter of FY 2021. Please disaggregate these data by the following categories: Function 1 Operations—Mail Processing, Function 2 Operations—Delivery Services, Function 4 Operations—Customer Service, and Labor Distribution Code 79 Mailing Requirements and Business Mail Entry. Please disaggregate these data for each Postal Service geographic Area and for

¹ United States Postal Service *Annual Compliance Report*, December 29, 2020 (FY 2020 ACR).

the nation. Please also disaggregate FY 2019 and FY 2020 data into mid-year, second-half, and annualized.²

3. Please refer to Docket No. ACR2020, Library Reference USPS-FY20-17, December 29, 2020, United States Postal Service FY 2020 Annual Report to Congress, at 2. Please provide an Excel Spreadsheet containing the number of Postal Service employees reported to be absent related to COVID-19 (including absences due to contraction, quarantine/isolation, and/or caregiving related to COVID-19), reported to have contracted COVID-19, and reported to have died from COVID-19 for each month of FY 2020 and the first quarter of FY 2021. Please disaggregate these data by the following categories: Function 1 Operations—Mail Processing, Function 2 Operations—Delivery Services, Function 4 Operations—Customer Service, and Labor Distribution Code 79 Mailing Requirements and Business Mail Entry. Please disaggregate these data for each Postal Service geographic Area and the nation.
4. Please refer to the Response to CIR No. 1, question 18.a. Please provide an Excel Spreadsheet containing the numbers of Postal Service regular workhours, non-penalty overtime workhours, and penalty overtime workhours for each month of FY 2019, FY 2020, and the first quarter of FY 2021. Please disaggregate these data by the following categories: Function 1 Operations—Mail Processing, Function 2 Operations—Delivery Services, Function 4 Operations—Customer Service, and Labor Distribution Code 79 Mailing Requirements and Business Mail Entry. Please disaggregate these data for each Postal Service geographic Area and the nation as well as by career versus non-career employees.
5. Please refer to Library Reference USPS-FY20-29, December 29, 2020, Excel file “FY20 FCM Q3 CLT Natl Area Dist.xlsx,” tab “4.c.3. CLT” and Library Reference USPS-FY19-29, December 27, 2019, Excel file “FY19 ACR FCM Q1-2-4-5

² Mid-year refers to the aggregation of the data for Quarters 1 and 2 of a fiscal year. Second-half refers to the aggregation of the data for Quarters 3 and 4 of a fiscal year. Annualized refers to the aggregation of the data for all four quarters of a fiscal year.

- EOY.xlsx,” tab “Q4.” Please explain how the Postal Service decreased the number of critically late trips (CLTs) from 17,034 in FY 2019 to 8,955 in FY 2020.
6. Please provide an Excel spreadsheet covering the period FY 2019, FY 2020, and the first quarter of FY 2021, displaying variance data for First-Class Mail, USPS Marketing Mail, and Periodicals on a weekly basis. Please disaggregate these data for each Postal Service geographic Area and the nation. Rather than limiting the report to 3 days after the service standard, please extend the data for up to 10 days extra or as many extra days as are necessary until 99 percent of the mail is accounted for.
 7. Please refer to the Response to CIR No. 1, question 17. Please provide an Excel Spreadsheet containing the numbers of late and extra trips to transport mail for each month of FY 2019 and FY 2020 for each Postal Service geographic Area and the nation.
 8. Please refer to the “On[-]time Service Performance Comparison for CAIR [Commercial Air]” provided in the Response to CIR No. 1, question 3.b.
 - a. Please confirm that these data include mailpieces classified as Market Dominant and as Competitive Products. If not confirmed, please explain.
 - b. Please specify which Market Dominant products are included within these data.
 - c. Please provide the data underlying the information provided in Response to CIR No. 1, question 3.b. in an Excel Spreadsheet for each month and quarter of FY 2019 and FY 2020. Please also disaggregate these data into mid-year, second-half, and annualized.³ Please limit the data to only Market Dominant mailpieces. If the Postal Service cannot isolate Market

³ Mid-year refers to the aggregation of the data for Quarters 1 and 2 of a fiscal year. Second-half refers to the aggregation of the data for Quarters 3 and 4 of a fiscal year. Annualized refers to the aggregation of the data for all four quarters of a fiscal year.

Dominant mailpieces, please explain why the Postal Service cannot extract the data for mailpieces classified as Competitive Products.

- d. Please explain how the Postal Service defines each of the following terms for purposes of these data:
 - i. “on[-]time performance” and “% On[-]time” (e.g., does “on[-]time” refer to the actual arrival time of the airplane compared to the expected arrival time or delivery of the mailpiece within the applicable service standard?),
 - ii. “D&R Assigned” (e.g., to what does “D&R” refer?),
 - iii. “Assign Weight,”
 - iv. “Late D&R at Dest” (e.g., does “late” refer to the actual arrival time of the airplane compared to the expected arrival time or delivery of the mailpiece within the applicable service standard and to what does “D&R” refer?), and
 - v. “% Late” (e.g., does “late” refer to the actual arrival time of the airplane compared to the expected arrival time or delivery of the mailpiece within the applicable service standard?).
9. The Postal Service explains that due to COVID-19, air transit suppliers cancelled flights scheduled to transport mail and/or imposed unexpected weight and space restrictions on flights to transport mail. See Response to CIR No. 1, questions 4.b. and 5.a.
 - a. Please confirm that the Postal Service has a metric(s) (such as a root cause failure indicator) to monitor such cancellations and restrictions imposed by air transit suppliers.
 - i. If confirmed, please identify the metric(s) used and quantify such cancellations and restrictions at the national level for each quarter of FY 2019 and FY 2020. Please also disaggregate these data into mid-year, second-half, and annualized.

- ii. If not confirmed, please explain why such a metric has not been developed and status of the Postal Service's efforts to develop such a metric.
 - b. Please quantify how much Market Dominant volume has been transported by surface (ground) instead of air due to such cancellations and restrictions during FY 2020.
 - c. Please describe the actions that the Postal Service has taken to mitigate the impacts that such cancellations and restrictions have on-time service performance results for Market Dominant products during FY 2020.
 - d. Please explain how each of the Postal Service's actions described in response to part c. of this question impacted on-time service performance results for Market Dominant products during FY 2020. In the response, please identify which actions were the most effective in mitigating the impacts that such cancellations and restrictions had on on-time service performance results for Market Dominant products during FY 2020.
 - e. For each impact identified in response to part c. of this question, please provide quantitative support and identify the metric(s) used. If quantitative support is unavailable for an identified impact, please so state, explain why it is unavailable, and provide qualitative analysis in support of the identified impact.
 - f. Please explain how the cancellations and restrictions imposed by air transit suppliers due to COVID-19 impacted how much air capacity the Postal Service requested, how much air capacity the Postal Service received, and the air capacity gap for FY 2020 Quarters 3 and 4.⁴
10. Please provide an Excel Spreadsheet containing the nationwide volume of:
- a. political mail that the Postal Service delivered in each month of FY 2020.

⁴ See Library Reference USPS-FY20-29, Excel file "NONPUBLIC FCM Q2 - Air Capacity.xlsx."

- b. election mail that the Postal Service delivered in each month of FY 2020.
 - c. Decennial Census mail that the Postal Service delivered in each month of FY 2020.
11. Please refer to the Response to CIR No. 1, questions 17.e., 18.d., 19.c., and 20.
- a. Prior to the 2020 elections, did the Postal Service complete a study and/or analysis of the impact of political mail and election mail on FY 2020 Market Dominant service performance (such as, based on prior years' elections)?
 - i. If yes, please provide the study and/or analysis. Additionally, please explain how the expected impact differed from the actual impact on FY 2020 Market Dominant service performance and what steps the Postal Service took to mitigate the actual impact on FY 2020 Market Dominant service performance.
 - ii. If no, please explain why no study and/or analysis was completed.
 - b. Prior to the 2020 elections, did the Postal Service generate a plan for delivery of political mail and election mail for FY 2020 (such as, based on prior years' elections)?
 - i. If yes, please provide the plan. Additionally, please explain how and why the plan differed from the actual implementation during FY 2020.
 - ii. If no, please explain why no plan was completed.
12. The Postal Service discusses its FY 2020 reorganization of its operations into "separate functions for retail and delivery on the one hand and processing and logistics on the other" in the FY 2020 ACR at 39. Please identify the metric(s) that the Postal Service will use to measure how the restructuring achieves each of the following goals:
- a. establish clear lines of accountability to better enable service performance improvements,

- b. enhance communication and oversight, and
 - c. ensure quicker implementation of strategies and initiatives.
13. Please refer to the Response to CIR No. 1, question 11.a. Please identify the metric(s) that the Postal Service will use to measure how the newly dedicated letter and flat planning and implementation group achieves each of the following goals:
- a. strategically stabilize all letter- and flat-shaped products,
 - b. create site-by-site specific, achievable operating plans, and
 - c. adjust reporting standards to identify the variance to the individually-planned achieved efficiencies versus the previous method of tracking the variance to one single national operating plan.
14. Please refer to Library Reference USPS-FY20-29, Excel file "FY20 FCM Q4 EOY - 24 hr clock.xlsx" and Docket No. ACR2019, Library Reference USPS-FY19-29, Excel file "FY19 ACR FCM Q1-2-4-5 EOY.xlsx," Tab "Q5". Other than National Trips On-Time report changes discussed in the Response to CIR No. 1, question 19.a., please confirm that each of the national operating plan targets (also referred to as the 24-Hour Clock national clearance goals) uses the same methodology for FY 2019 and FY 2020. If not confirmed, please explain any changes.
15. Please refer to Docket No. ACR2018, Responses of the United States Postal Service to Questions 1-15, 17-50 of Chairman's Information Request No. 1, January 11, 2019, question 47.a. through 47.h. and Docket No. ACR2019, Responses of the United States Postal Service to Questions 1-41 of Chairman's Information Request No. 4, January 24, 2020, question 31.b. Please confirm that each of these responses continues to accurately reflect the definitions applied in FY 2020. If not confirmed, please explain and provide any applicable updated definitions.

16. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) states that “during the COVID-19 emergency, the Postal Service—(1) shall prioritize delivery of postal products for medical purposes.” Pub. L. No. 116-136 § 6001(c).
- a. Please explain how the Postal Service adhered to this requirement in FY 2020.
 - b. Please explain how the Postal Service’s adherence to this requirement impacted FY 2020 service performance results for Market Dominant products.
 - c. Please explain the types of challenges that the Postal Service faced in distinguishing items sent for medical purposes versus items sent for non-medical purposes in FY 2020.
 - d. For items that the Postal Service identified during FY 2020 as being sent for medical purposes, please quantify the volume and percentage that were classified as Competitive Products versus Market Dominant products. If the Postal Service cannot provide this information, then please confirm that most items that the Postal Service identified during FY 2020 as being sent for medical purposes were classified as Competitive Products.
 - e. Please explain how the Postal Service plans to adhere to this requirement in FY 2021.

First-Class Mail Service Performance

17. Please refer to the Response to CIR No. 1, question 7.a. Please confirm that the Postal Service has a metric(s) (such as a root cause failure indicator) to monitor delays specific to transporting First-Class Mail from origin processing to destination processing (*e.g.*, exclude delays that occurred in processing operations).
- a. If confirmed, please identify the metric(s) used and quantify such delays at the national level in FY 2020 and in FY 2019.

- b. If not confirmed, please explain why such a metric has not been developed and status of the Postal Service's efforts to develop such a metric.
18. The Postal Service asserts that Last Mile Impact ("LMI") for each geographic area improved in FY 2020 compared to FY 2019 for First-Class Mail.⁵ Please explain how each of the seven geographic areas was able to improve its LMI for First-Class Mail from FY 2019 to FY 2020. In the response, please identify all key metric(s) used to monitor and remediate Last Mile problems in near-real-time.
19. In describing First-Class Mail service performance, the Postal Service observes that each Area experienced increased parcel volume in FY 2020.⁶
- a. Please explain how the Postal Service worked to mitigate how increased parcel volume impacted processing operations, transportation, and the Last Mile for First-Class Mail in FY 2020.
- b. Please confirm that the explanations provided in response to part a. of this question apply to USPS Marketing Mail, Periodicals, and Package Services. If not confirmed, please explain how the Postal Service's action differed for each class.
- c. Please explain how the Postal Service expects to mitigate how increased parcel volume may impact processing operations, transportation, and the Last Mile for First-Class Mail in FY 2021.

⁵ Library Reference USPS-FY20-29, files "CapMetro PRC FY 20 Svc Perf Report.pdf," at 4; "Eastern PRC FY 20 Svc Perf Report.pdf," at 3; "Great Lakes PRC FY 20 Svc Perf Report.pdf," at 2; "Northeast PRC FY 20 Svc Perf Report.pdf," at 4; "Southern PRC FY 20 Svc Perf Report.pdf," at 2; "Western PRC FY 20 Svc Perf Report.pdf," at 3; "Pacific PRC FY 20 Svc Perf Report.pdf," at 2.

⁶ Library Reference USPS-FY20-29, files "CapMetro PRC FY 20 Svc Perf Report.pdf," at 3-4; "Eastern PRC FY 20 Svc Perf Report.pdf," at 3; "Great Lakes PRC FY 20 Svc Perf Report.pdf," at 2; "Northeast PRC FY 20 Svc Perf Report.pdf," at 4; "Southern PRC FY 20 Svc Perf Report.pdf," at 2; "Western PRC FY 20 Svc Perf Report.pdf," at 3; "Pacific PRC FY 20 Svc Perf Report.pdf," at 2; Response to CIR No. 1, question 20.

- d. Please confirm that the explanations provided in response to part c. of this question apply to USPS Marketing Mail, Periodicals, and Package Services. If not confirmed, please explain how the Postal Service's expected actions differ for each class.
20. Please provide an Excel spreadsheet covering the period FY 2019, FY 2020, and the first quarter of FY 2021, displaying variance data for First-Class Mail on a weekly basis disaggregated by product and service standard. Please disaggregate these data for each Postal Service geographic Area and the nation. Please report the data for up to 10 days extra or as many extra days as are necessary until 99 percent of the mail is accounted for.

By the Chairman.

Michael Kubayanda