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 1-6 OF CHAIRMAN'S INFORMATION REQUEST NO. 10

The United States Postal Service hereby provides its responses to the above-listed

questions of Chairman's Information Request No. 10, issued on February 4, 2021. Each

question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. Please refer to the Business Service Network, Point of Sale, Delivery, Customer Care Center, Customer 360, USPS.com, and Bulk Mail Entry Unit[1] performance indicators listed on page 37 of the *FY 2020 Annual Report*. For each performance indicator, please provide a FY 2021 target or a reasoned explanation for not setting a FY 2021 target.[2]

RESPONSE:

The FY 2021 target for each performance indicator are listed below:

Measure	FY2021 Target
Customer Care Center (CCC)	60.03
USPS.com	73.41
Bulk Mail Entry Unit (BMEU)	96.73
Business Service Network (BSN)	97.20
Point of Sale (POS)	90.42
Delivery	86.33
Customer 360 (C360)	55.00

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[1] Although the *FY 2020 Annual Report* refers to the "Business Mail Entry Unit" performance indicator, the name of the survey is "Bulk Mail Entry Unit." *See* Library Reference USPS-FY20-38, December 29, 2020, file "USPS-FY20-38 Preface.pdf," at 1.

[2] The *FY 2020 Report* refers to FY 2021 targets for the Customer Care Center and Customer 360 performance indicators. *See FY 2020 Annual Report* at 37 nn.2, 3.

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2. Last year, the Postal Service issued its five-year strategic plan for FY 2020 through FY 2024.[3] Please confirm that the Postal Service is currently developing or planning to develop a new strategic plan during FY 2021 that will supplement or replace the Five-Year Strategic Plan.[4] If confirmed, please:

   a.   Describe the new strategic plan and explain how it differs from the Five-Year Strategic Plan.

   b.   Explain whether and how the Postal Service will incorporate the Five-Year Strategic Plan into the new strategic plan or whether the new strategic plan will replace the Five-Year Strategic Plan.

   c.   Explain whether and how the current Five-Year Strategic Plan and new strategic plan will be incorporated into the strategic goals and strategic initiatives for FY 2021 and beyond.

   d.   Provide an estimated date or timeline for providing the new strategic plan to the Commission and general public.

RESPONSE:

   a. The Postal Service intends to issue a new strategic plan within the next several months. It will contain new goals and strategies and replace the existing Five-Year Strategic Plan. Some initiatives described in the existing Five-Year Plan will continue in the new Strategic Plan.

   b. The new strategic plan will replace the existing Five-Year Strategic Plan. Some initiatives described in the existing Five-Year Plan will continue in the new Strategic Plan.

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[3] United States Postal Service, *Ready-Now → Future-Ready: The U.S. Postal Service Five-Year Strategic Plan FY2020-FY2024*, available at: *https://about.usps.com/strategic-planning/five-year-strategic-plan-2020-2024.pdf* (Five-Year Strategic Plan).

[4] *See* Comments of the National Association of Presort Mailers, February 1, 2021, at 15; Government Executive, *Postmaster General Previews New Reforms as USPS Announces $9B Loss for 2020*, November 13, 2020; available at: *https://www.govexec.com/management/2020/11/postmaster-general-previews-new-reforms-usps-announces-9b-loss-2020/170035/.*

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c. The new strategic plan will articulate a new set of USPS strategic goals and

describe the key supporting initiatives for FY 2021 and beyond. Some initiatives

described in the existing Five-Year Plan will continue in the new Strategic Plan.

d. The Postal Service has not yet finalized the specific release date of the new

strategic plan to the Postal Regulatory Commission and general public.

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3. In Library Reference USPS-FY20-29, the Postal Service explains that the structure for the new Retail and Delivery Operations unit consists of four geographic areas: Atlantic, Central, Southern, and Western Pacific.[5] In response to Commission Information Request No. 1, the Postal Service states that "[a]ll 67 districts will now report to four areas, instead of the previous seven areas."[6] Please explain how the reorganization affected the 67 districts from the legacy structure. In the response, please describe any changes made to the districts, including the geographic area comprising each district.

RESPONSE:

All 67 districts will now report to four geographic areas instead of the previous seven

areas. At all levels of the organization, managers are now responsible for specific

operational functions instead of geographic areas. There were no changes made to the

67 districts.

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[5] Library Reference USPS-FY20-29, December 29, 2020, file "USPS-FY20-29.Preface.pdf," at 3.

[6] Responses of the United States Postal Service to Questions 1-21 of Commission Information Request No. 1, January 15, 2021, question 12.b.i.

4. The Postal Service states that "FY 2020 service performance can best be viewed as a year of two distinct phases: the pre-COVID-19 pandemic period covering the first half of the year, and the COVID-19 period covering the second half of the year." *FY 2020 Annual Report* at 35.

a. Please refer to the Postal Service's table listing "FY 2020-FY 2021 Targets and FY 2017-FY 2020 Actuals for Corporate-wide Performance Outcomes" on page 33 of the *FY 2020 Annual Report*. Please provide an updated table that includes High-Quality Service results for each "distinct phase of FY 2020."

b. If the Postal Service cannot calculate High-Quality Service results for each phase, please explain why.

RESPONSE:

a.

Corporate Performance Outcome	Measure	FY20Q1 & FY20Q2	FY20Q3 & FY20Q4
High-Quality Service	Single-Piece First-Class Mail		
	Two-Day	92.37%	90.38%
	Three-to-Five-Day	80.47%	76.89%
	Presort First-Class Mail		
	Overnight	95.07%	94.15%
	Two-Day	93.95%	91.35%
	Three-to-Five-Day	91.93%	87.49%
	First-Class Mail Letter & Flat (FCLF) Composite	91.25%	88.13%
	Marketing Mail & Periodical Composite	89.93%	86.83%
	Market Dominant Composite	90.50%	87.41%

b. N/A

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5. In previous years, the Postal Service has stated that service performance was negatively affected by network disruptions such as natural disasters, industrial incidents, and the actions of a malicious actor.[7]

    a.   In addition to COVID-19, please describe any other network disruptions that impacted High-Quality Service results in FY 2020.

    b.   For each network disruption listed in response to question 5.a.:

        i.   Please provide a detailed description of the event, including the timing of the event and the geographic area affected.

        ii.   Please explain how such event disrupted the Postal Service's network (*i.e.*, which processing phases were impacted and how they were impacted).

        iii.   Please quantify the effect that such event had on the Postal Service's High-Quality Service results for FY 2020.

RESPONSE:

a.   In addition to COVID-19, there were additional events that caused network disruptions that likely impacted High-Quality Service results in FY 2020. These events include weather events such as tropical storms, hurricanes and winter storms and natural disasters such as the wildfires in California. Specific events are shown below.

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[7] *See, e.g.,* Docket No. ACR2019, Library Reference USPS-FY19-17, December 27, 2019, file "FY19.Annual.Report.USPS.FY19.17.pdf," at 22.

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b.

    i.

Event	Dates	General Impacted Area
Public Safety Power Shutoff	Oct 9th – Oct 31st, 2019	California
Wildfires	Oct 10th – Nov 29th, 2019	California
Tropical Storm Olga	Oct 23rd – Oct 25th, 2019	Texas, Louisiana, Mississippi, Alabama
Winter Storm Kade	Feb 2nd, 2020	Texas, Oklahoma, Utah, Colorado
Portland Mercury Incident	March 5th, 2020	Maine
Pitney Bowes Cyber Attack	May 11th, 2020	Nationwide
Tropical Storm Arthur	May 18th, 2020	North Carolina
Civil Unrest	May 19th – June 12th, 2020	Nationwide
Tropical Storm Cristobal	June 2nd – June 10th, 2020	Texas, Louisiana, Mississippi, Alabama, Florida, Arkansas
Wildfires	July 7th – Sept 27th, 2020	California, Washington, Oregon, Colorado, Arizona, Nevada, North Dakota, South Dakota, Utah
Hurricane Douglas	July 25th, 2020	Hawaii
Hurricane Hanna	July 25th – July 27th, 2020	Texas
Hurricane Isaias	July 31st – Aug 3rd, 2020	Florida, Georgia, South Carolina, North Carolina
Hurricane Laura & Marco	Aug 24th – Sept 10th, 2020	Louisiana, Texas
Hurricane Sally	Sept 13th – Sept 16th, 2020	Alabama, Georgia, South Carolina, North Carolina
Tropical Storm Beta	Sept 20th – Sept 22nd, 2020	Texas, Louisiana, Mississippi, Alabama

    ii.   Weather events can disrupt operations and jeopardize the safety of

personnel, customers, and business partners. Emergency planning, including

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Continuity of Operations (COOP) planning, has become a necessary and required process.

The mail processing COOP plan focuses on the facility's ability to process mail during emergencies. The plan is a deliberate and preplanned movement of originating and destinating mail to an alternate facility to enable the continuation of essential mail processing functions. The plan includes the preparation of alternate reporting sites for employees, identified offload sites for mail processing by mail type, and specific procedures to be followed so that critical mail processing operations can be maintained in the event of any emergency, or threat of an emergency.

Although the Postal Service has plans in place for emergency situations, there are so many moving parts that virtually every phase of mail processing can be impacted during an emergency. Postal Service management's goals are to ensure the safety of all employees and the public, protection of postal assets, and security of the mail.

When a processing facility cannot be used, mail must be redirected to other facilities, which includes the task of reworking all transportation routes. Employees are often asked to report to different facilities and to process mail that is not usually handled at their facility. The Postal Service operates on a 24-hour clock – when one operation is disrupted, there is a ripple effect on other operations.

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On September 3, 2019, we were impacted by Hurricane Dorian. Although this event occurred in FY 2019, we did not get full recovery and use of all our facilities until FY 2020. Tropical Storm Imelda, which landed in Texas on September 17, 2019, caused devastating and record-breaking floods in southeast Texas. The roof collapsed in the North Houston facility, due to this storm, but operations did not get full use of the building until December 2019 (FY 2020). In the meantime, mail was offloaded to many other mail processing facilities, in some cases, hundreds of miles away.

iii. The Postal Service is unable to determine exact impacts to service scores caused by the events identified, but the trend chart below depicts weekly service trends for market dominant products for FY 2020 and when these events occurred.
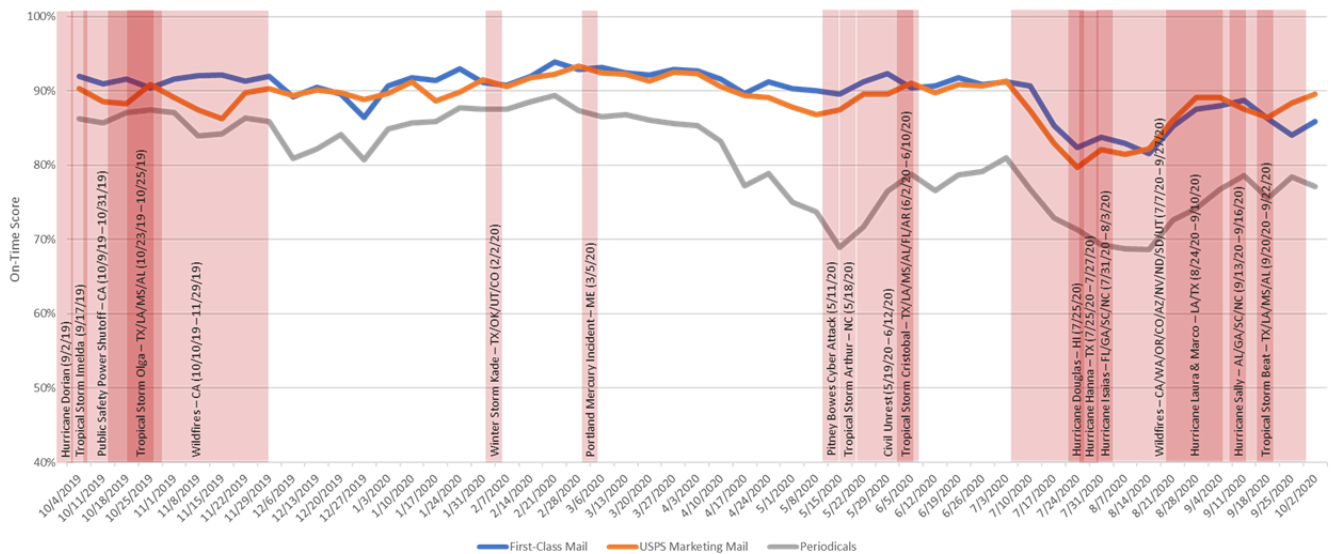
6. The Postal Service states that "[n]ear real-time analytics will be used to identify mail at risk of service failure and take proactive measures to prevent these failures." *FY 2020 Annual Report* at 36.

    a.   Please explain how near real-time analytics will be used to identify mailpieces at risk of service failure.

    b.   Please describe in detail examples of proactive measures the Postal Service will take to prevent service failures.

    c.   Will the Postal Service provide access to the near real-time analytics to mailers and mail service providers? If yes, please explain how.

RESPONSE:

Various tools, such as those found within Informed Visibility (IV) will be used to identify

mail at risk of service failure.

    a. There are several tools within IV that use near real-time analytics to identify

        mailpieces at risk. Some of these tools include Performance to Plan and MMP

        Expected vs Actual. By using these tools, various functional groups will be able

        to see potential failures before they occur and work to get the mail moving so it

        does not fail.

    b. In FY 2020, the Network Operations Control Centers (NOCCs) performed real-

        time data analysis and communicated with plants on issues related to operations

        and transportation. A few dashboards the NOCCs reviewed nightly include Build

        Anomaly, Surface Visibility, Freight House Analysis, Bypass Opportunity, Early

        Warning, Looping Parcel and Cremated Remains. The NOCCs also reviewed

        and prepared an hourly air assignment analysis to provide a predictive forecast

        of assigned volume versus prior operational dates. In turn, the analysis provided

a risk assessment for USPS origins that could potentially exceed network capabilities. Additionally, the NOCCs would proactively mitigate any network issues (weather, special events, etc.) and coordinate with each of the Area NOCCs to ensure successful implementation of the plan. The Performance to Plan report is used by the NOCCs and by mail processing plants to see their current actual performance to planned performance. Management can easily see the big picture of how the plant is operating and what operations and/or pieces of equipment may be running behind schedule or under performing and immediately work to improve. Mail processing operations uses the MMP Expected vs Actual report to see if their MMP (Managed Mail Processing) volumes that are expected to be delivered on the next delivery day are in fact in their building and ready to be processed or have already been processed. If not in the user's building, or not yet processed, the users have the ability to track the mail to see where it is, so that it can be processed in time to make the next delivery day.

c. Currently, we are reviewing all viable options pertaining to external mailer access to internal Postal Service real-time analytics.