United States Postal Service®

Service Performance Measurement

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1. Glossary of Terms

The description of the approach for service performance measurement includes references to certain postal terminology. For clarification, the following brief definitions and descriptions are provided.

The ***Intelligent Mail® barcode (IMb)*** is a height-modulated barcode that encodes up to 31-digits of mailpiece data. The IMb combines and expands the capabilities of the POSTNET barcode and the Planet Code® barcode into one unique barcode.

A ***service standard*** is defined as "a stated goal for service achievement for each mail class." *See Publication 32, Glossary of Postal Terms* (May 1997, updated through July 5, 2007). The service standard for each market-dominant mail service incorporates the days-to-deliver for each 3-digit ZIP Code origin-destination pair within the Postal Service network. The standards serve as the benchmark for measuring service performance.

The ***service performance*** is the number of calendar days from the "Start-the-Clock" event to the "Stop-the-Clock" event. However, if the day of the "Stop-the-Clock" event is immediately after a non-delivery day (Sunday or a holiday), then one day is subtracted from the service performance measurement calculation for each consecutive non-delivery day preceding the delivery day.

For ***inclusion*** in service performance measurement, a mailpiece, container/handling unit, or mailing must pass verification and meet the applicable inclusion criteria listed in the appendix to this document. Verification is a system of checks used to determine if a mailing is properly prepared and if the correct postage is paid.

The ***critical entry time*** (CET) is the latest time that a reasonable amount of a class of mail can be received at designated induction points in the postal network for it to be processed and dispatched in time to meet service standards.

The ***"Start-the-Clock"*** event is the date and time when the mailpiece enters the mailstream. If the Postal Service accepts a mailpiece before the posted CET for that day, the day of entry is designated as the "Start-the-Clock" date. If the mailpiece is accepted after the CET or dropped at a collection box, business mail chute, or Post Office location after the last posted pickup time on a day when pickup does not occur, or on a Non-Airlift Day, the mailpiece has a "Start-the-Clock" date of the following applicable acceptance day.

***"Start-the-Clock" event Day zero (or Day-*0)** is the date when the clock starts for purposes of service measurement.

The ***"Stop-the-Clock"*** event is the date on which delivery occurs or is initially attempted.

"Clearance time" is the latest time that a processing scan can occur for delivery on the same day.

The *"**Actual Delivery Day"*** is the calendar day of the "Stop-the-Clock" for a mailpiece.

"Non-Delivery Days" are nationally and locally recognized days on which the Postal Service does not deliver mail to delivery points. Sundays, federal holidays, and local holidays are non-delivery days. Saturdays may also be considered non-delivery days for delivery points that have a Saturday delivery hold. Non-delivery days may also occur by presidential proclamation such as a national day of mourning.

"Non-Airlift Days" are days on which limited air lift is available for transportation of mail to mail processing points due to the holiday. The day before Thanksgiving, December 24, December 31, and July 3 are Non-Airlift Days.

The *"**Expected Delivery Day"*** is calculated by adding the applicable service standard to the "Start-the-Clock" date for a mailpiece. When this date lands on a non-delivery day, the expected delivery date becomes the next possible delivery date.

"Service variance", represented as "Within +X", is the number of delivery days between the Expected Delivery Date for the mailpiece and the Actual Delivery Date of the piece. "Within +X" is calculated by subtracting the Expected Delivery Date from the Actual Delivery Date and then subtracting any Non-Delivery Days between the Actual and Expected Delivery Dates from the result:

X = Actual Delivery Day – Expected Delivery Day – Non-Delivery Days

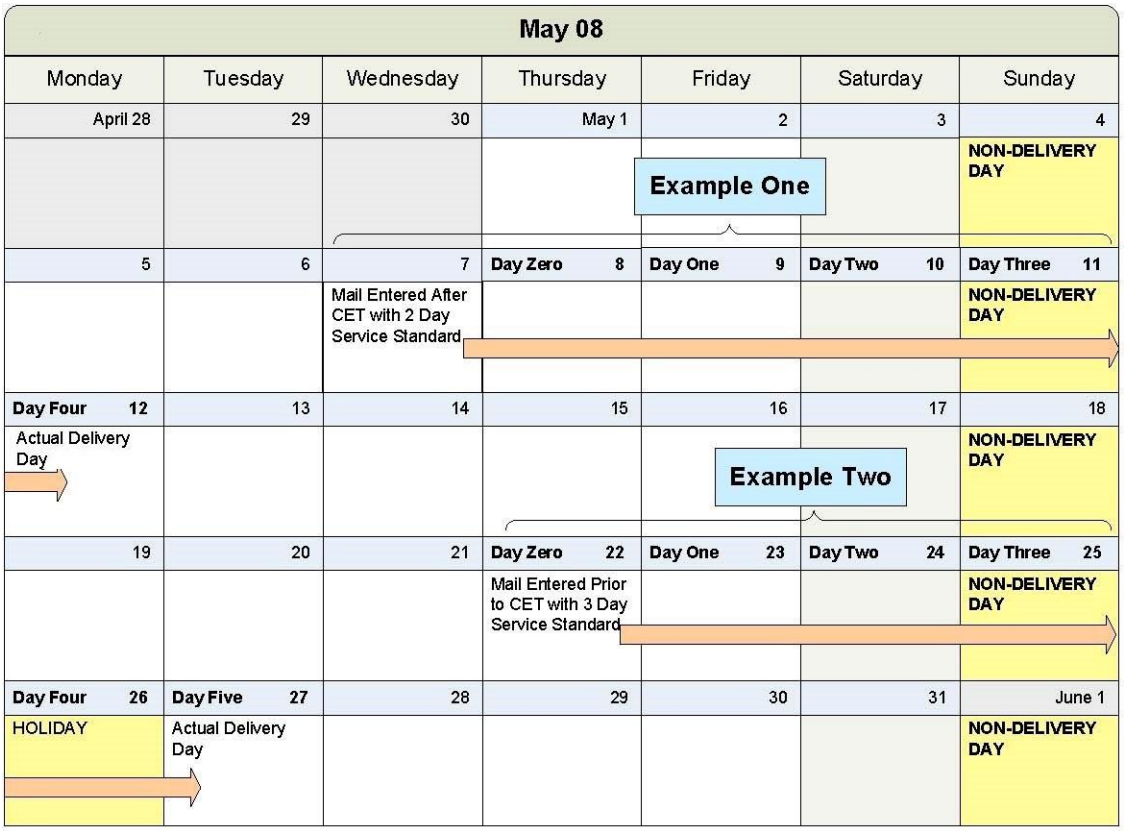
A ***Customer/Supplier Agreement (C/SA)*** is a written notice that confirms, for a commercial mailer, the origin-entry acceptance window during which First-Class Mail that meets applicable preparation requirements will be considered to have been entered into the postal network on "Start-the-Clock Day zero," for purposes of service performance measurement. The notice may include mail containerization specifications and designated postal mail facility entry locations.

The ***Annual Compliance Report*** includes the national annual service performance report for market-dominant products and is subject to compliance review by the Postal Regulatory Commission on a fiscal year basis.

A ***postal area*** is the administrative level directly below national headquarters and is comprised of multiple subordinate ***postal districts***.

In ***service variance reports***, the Postal Service reports the cumulative percentage for mailpieces delivered after the applicable service standard. The Postal Service refers to the delivery performance of pieces delivered after the service standard as "Within +X" days of the standard.

The following are examples of calculating service variance:



Example 1 – Mail was entered after CET on Wednesday and delivered on Monday with a two day service standard. Since the entry was after Wednesday's CET, day zero is now Thursday. Actual Delivery is the number of days it took (calendar days) to deliver the mail (Thursday to Monday) or 4 days. Expected Delivery is the service standard, which in this case is 2 days. The service performance measurement is Actual Delivery Day (**4**) minus Expected Delivery (**2**) minus any Non-delivery days between the Expected Delivery Day and the Actual Delivery Day (**1**) = 1. Therefore the mail piece was delivered "Within +1 day of the standard."

Example 2 – Mail was entered prior to CET on Thursday and delivered on Tuesday with a three day service standard. Actual Delivery is the time it took (calendar days) to deliver the mail (Thursday to Tuesday) or 5 days. Expected Delivery is the service standard, which in this case is 3 days, plus 2 days since Sunday and Monday are non-delivery days. The service performance measurement is Actual Delivery Day (**5**) minus Expected Delivery (**5**) minus any Non-delivery days between the Expected Delivery Day and the Actual Delivery Day (**0**) = **0**. Therefore the mail piece was delivered on-time.

Figure 1-1: Examples of Service Variance Calculations

2. Introduction

The United States Postal Service (Postal Service) is required to establish modern service standards for its market-dominant mail products and to design these standards to provide a system of objective performance measurements for each market-dominant product. The service standards serve as a basis for measurement of Postal Service performance.

The Postal Service implemented changes in the application of mailpiece and operational scanning technology as outlined in Postal Regulatory Commission (Commission) Docket No. PI2015-1. These changes allow for the efficient generation of data that enable the Postal Service to utilize internal service performance measurement (SPM) systems.

This document summarizes the current state of service performance measurement. The Postal Service intends for its internal service performance measurement (SPM) systems to be accurate, reliable and representative.

These data are expected to provide the Commission with the ability to perform its responsibilities with a high degree of confidence and to reasonably inform the public regarding the quality of service provided to market-dominant products. The following table summarizes the current state of service performance measurement.

CURRENT STATE OF POSTAL SERVICE MEASUREMENT APPROACH

	Single-Piece			Presort		
	Letters	**Flats**	**Parcels**	**Letters**	**Flats**	**Parcels**
First-Class Mail	First Mile: CPMS[1] Scan and Carrier Scan of Sample Mailpieces from Randomly Selected Collection Points Processing Duration: First processing scan to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	First Mile: CPMS Scan and Carrier Scan of Sample Mailpieces from Randomly Selected Collection Points Processing Duration: First processing scan to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	N/A
Single-Piece First-Class Mail International	Internal SPM	Internal SPM[2]	N/A	N/A	N/A	N/A
Periodicals	N/A	N/A	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	N/A
USPS Marketing Mail	N/A	N/A	N/A	Automation: Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points Non-automation: Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	Automation: Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points Non-automation: Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	**Start: Documented Arrival Time at Postal facility** Stop: USPS Tracking delivery scan
Package Services	N/A	N/A	**Start: Acceptance Scan** Stop: USPS Tracking delivery scan	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	**Start: Documented Arrival Time at Postal facility** Stop: USPS Tracking delivery scan

[1] Collection Point Management System (CPMS) tracks all collection points and the associated carrier pickup times.

[2] Inbound Single-Piece First-Class Mail International flats will use domestic Single-Piece First-Class Mail flats as a proxy.

Table 2-1: Measurement Approach by Mail Segment[3]

[3] Special Services are not included in 2-1 as they have different methods to “Start-The-Clock” and “Stop-The-Clock.”

3. Measurement Approach

3.1 Current State

3.1.1 Single-Piece First-Class Mail and Single-Piece First Class Mail International for Letter and Flat-shaped Mail

The Postal Service uses the internal service performance measurement (SPM) system for Single-Piece First-Class Mail letters and flats, and for Single-Piece First-Class Mail International letters and flats.[4]The internal SPM system measures mail entering Postal Service collection boxes and office building chutes (aka Postal Service collection points) and from postal retail units and monitors performance through delivery. There are three components of measurement: First Mile, Processing Duration and Last Mile. To measure First Mile and Last Mile Impact, Postal Service letter carriers are instructed to scan barcoded mailpieces from randomly-selected collection points and delivery points. These collection and delivery points are randomly selected based on a statistical design that is representative of the population being measured and achieve the desired precision of results.

The First Mile Impact measures how long mail takes from collection to the first processing operation. First Mile Impact is based on a composite score that is calculated using collection pickup time data as well as mailpiece scan information from randomly-selected collection points. For the first part of the composite, the latest posted pickup time for the Postal Service collection point is compared to the scanned pickup time, and the average volume of each collection point[5] is used to determine the percentage of mail picked up on time. Postal Service Delivery Operations conducts periodic density tests of collection boxes. Density tests are performed for a continuous two-week period. This density information is used to determine the percentage of mail potentially impacted if a collection point is ‘tapped’ earlier than the posted collection times. This is used in First Mile calculations to determine ‘Start-the-Clock’ on collection mail.

For the second part of the composite, carriers scan Intelligent Mail barcodes (IMb) or Information Based Indicia (IBI) barcoded mailpieces from collection points randomly selected by the internal measurement system. The carrier is prompted by the scanning device to scan a specified number of mailpieces at the designated collection point when the Collection Point Management System (CPMS) barcode located inside the collection box is scanned. The scanned pieces are used to determine the percentage of mail that receives its first processing event on the date calculated from the collection date and time, and the percentage processed one day later, two days later, etc. Together, these two components create the composite First Mile Impact collection profile.

Processing Duration for each piece is calculated using the First Processing Operation (FPO) and the Last Processing Operation (LPO). All mailpieces with at least one processing scan will be included in measurement, and it is possible that the FPO and LPO can be the same event.

Last Mile Impact is calculated based on scan information from randomly-selected delivery points.

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[4] The only major type of outbound International Mail classified as market-dominant is Single-Piece First-Class Mail International.

[5] The average collection point volume is calculated for all collection points, based upon a density volume test, and updated in the Collection Point Management System (CPMS).

The Last Mile Impact measures how long mail takes from the anticipated delivery date based on the last processing scan to actual delivery. This forms a delivery profile whereby the scanned pieces are used to determine the percentage of mail that is delivered on the date calculated from the last processing date and time, and the percentage delivered that day, one day later, two days later, etc.

In addition, the geo-location of delivery scan events is compared to the geo-coordinates of delivery points to ensure that carriers are within proximity of designated delivery points during the sampling process. The collection point volume, First Mile and Last Mile Impact business rules and the data are analyzed on an ongoing basis to identify any invalid or fraudulent data that should be excluded from measurement.

This three-stage measurement approach allows for the measurement of all collection pieces that have at least one processing scan, with the application of the calculated delivery profile based on the shape and class of mail and the location and type of final processing. With this measurement approach, the transit-time of all mail from first processing operation to last processing operation is augmented by Last Mile Impact data provided by carrier scanning and First Mile Impact data provided by CPMS scanning and First Mile sampling, allowing end-to-end measurement.

The end-to-end measurement score is compared to applicable service standards to determine service performance. Weighting is applied in performance calculations to account for sample deviations. The basic process flow to measure First-Class Mail Single-Piece letters and flats service performance is depicted in Figure 3.1 below.

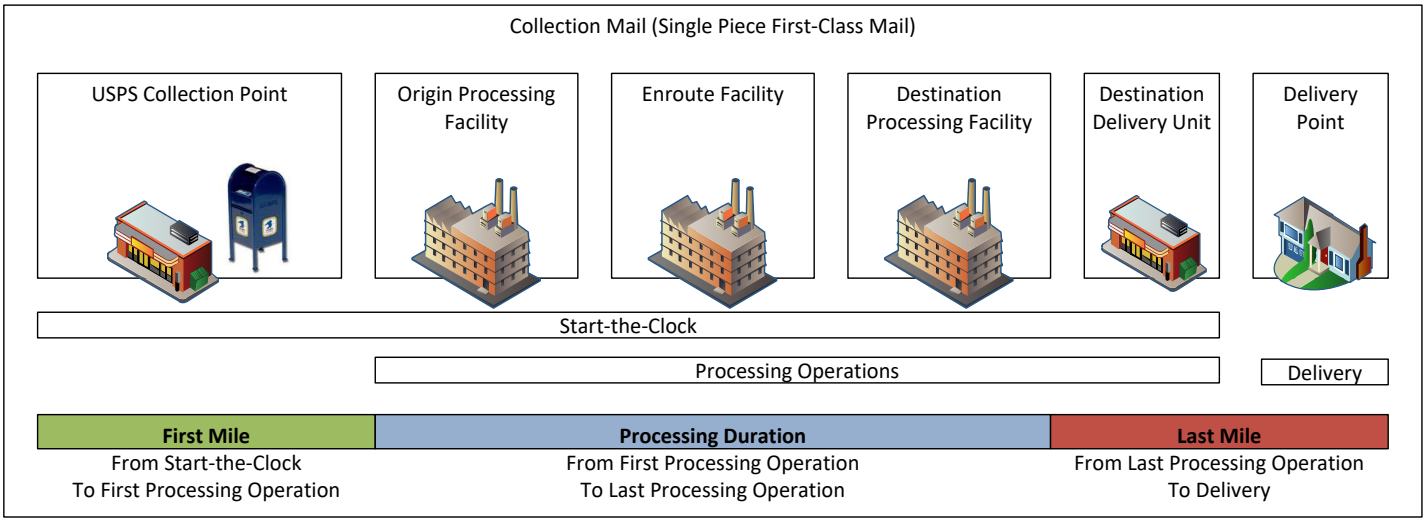

Figure 3-1: Internal Measurement Process Flow

There are multiple types of barcodes used to accomplish tracking of First–Class Mail Single-Piece letters and flats, and new barcodes and/or emerging scanning technologies may be incorporated at a future date to improve the quantity and/or quality of measurement.

For First Mile collection, employees scan a predetermined number of mailer-applied IMb or IBI barcodes from mailpieces at collection points randomly selected by the internal measurement system. Carriers use their Mobile Delivery Device (MDD) scanner or other similar scanners to capture the acceptance scan, which is transmitted to the SPM system. The acceptance scan records the mailer-applied IMb or IBI barcode value, the date/time of the scan, and the geo-coordinates of the scan location.

In addition, carriers are required to scan the Collection Point Management System (CPMS) barcode of the collection box at pickup, which is then transmitted to the internal measurement system. The CPMS barcode scan records the CPMS barcode value, the date/time of the scan and the geo-coordinates of the scan location. The internal measurement system compares the actual pickup time, as determined by the CPMS barcode scan, to the expected pickup time to determine early and late pickups from collection boxes.

For processing scans, a variety of barcodes are used to identify and track distinct mailpieces: a mailer-applied IMb, a Postal Service-applied IMb, IBI, IM package barcode (IMpb), legacy Special Service barcodes (such as Certified barcodes), Postal Service-applied Flats ID Coding System (FICS) barcode, or Postal Service-applied ID Tag.

As letter mail is processed on the Advanced Facer Cancellation System 200 (AFCS 200), an identification (ID) Tag is applied to the back of the envelope. In addition, if there is no IMb on the front of the envelope, or if an IMb is on the front but it does not have the correct delivery point routing code, a Postal Service-applied IMb is placed in the lower right section of the envelope. Letter mail that is processed on the legacy Advanced Face Cancellation System (AFCS) has an ID Tag applied to the back of the envelope. During a downstream operation, a Postal Service-applied IMb is placed to the front of the envelope if there is no IMb on the front of the envelope, or if the IMb has an incorrect delivery point routing code.

As single-piece flat mail is processed on the Automated Flats Sorting Machine 100 (AFSM 100), a FICS barcode is applied to the mailpiece when there is no mailer-applied barcode on the piece, or when the barcode is not detected or not readable.

For Last Mile, carriers scan mailer-applied IMb, Postal Service-applied IMb, IBI, or Postal Service-applied Flats ID Coding System (FICS) barcodes from mailpieces at delivery points randomly selected by the internal measurement system.

3.1.2 Presorted Letter and Flat-shaped Mail

For letter-and flat-shaped presorted mail within First-Class Mail, Periodicals, and USPS Marketing Mail services, and flat-shaped presorted mail within Package Services (Bound Printed Matter Flats), the Postal Service uses a measurement approach that combines processing duration with Last Mile Impact, as calculated based on carrier sampling.

Except on Non-Airlift Days, the internal SPM system uses documented arrival time at postal facilities to “Start-the-Clock.” The Last Mile Impact for Commercial Mail is calculated based on carrier sampling. For the Last Mile Impact, Postal Service employees scan barcodes from mailpieces at randomly selected delivery points to measure Last Mile.

First-Class Mail Presort letters and flats are measured based on the Processing Duration and the Last Mile Impact, as depicted in Figure 3.2 below.

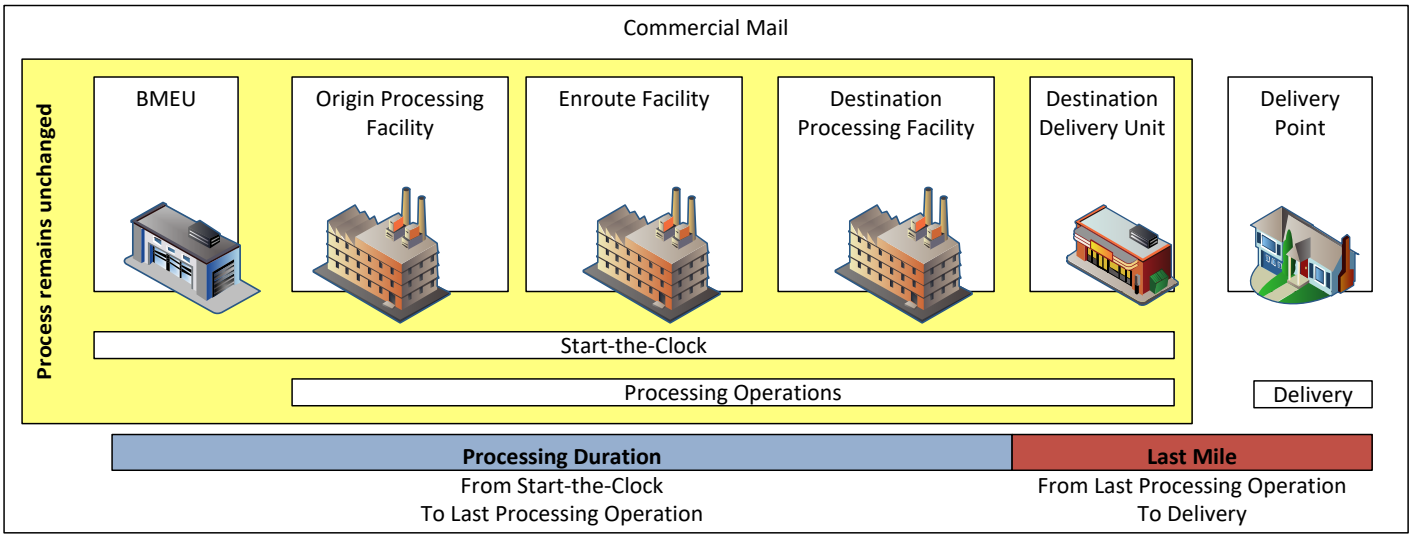

Figure 3-2: Current State of Commercial Mail Measurement

3.1.3 Parcels

For parcel-shaped Package Services,[6] the Postal Service uses an internal solution based on USPS Tracking scans obtained at acceptance and delivery.[7] For reporting purposes, USPS Marketing Mail parcels are included with the USPS Marketing Mail aggregate performance.

Except on Non-Airlift Days, the Postal Service uses the USPS Tracking barcode scan at the retail counter as the "Start-the-Clock" event for parcel-shaped market-dominant mail for which USPS Tracking service has been purchased. Except on Non-Airlift Days, parcel-shaped presorted mail uses the documented arrival time at the postal facility as the "Start-the-Clock" event.

The "Stop-the-Clock" event is the USPS Tracking barcode scan performed by postal personnel at delivery. This may be either a carrier on a delivery route or a clerk in a Post Office Box section when delivery is completed or attempted. Since postal personnel scan pieces with a USPS Tracking barcode at delivery, the measurement system is truly an end-to-end performance system. In addition, senders have access to the USPS Tracking "Stop-the-Clock" information from the Search or Track Packages function at the Postal Service's public website, http://www.usps.com, and can independently verify delivery dates.

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[6] Package Services market-dominant products include Alaska Bypass Service, Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media/Library Mail, by operation of 39 U.S.C. § 3621. For purposes of service standard establishment and service performance measurement, these market-dominant products are grouped together as Package Services due to their relatively small volumes. As a result of PRC Order No. 2160, ISPP has been transferred to the competitive products list and thus is no longer considered as a candidate product for service performance measurement. As a result of PRC Order No. 2303, the Postal Service secured a semi-permanent exemption from measuring and reporting service performance scores for the Alaska Bypass Service.

[7] In Docket No. MC2015-7, the Commission approved the Postal Service's request to transfer First-Class Mail Parcels from market dominant to the competitive product list.

3.1.4 Reporting

The Postal Service is required to report measures of the quality of its service on a quarterly and annual basis. The Postal Service will use the internal SPM system to prepare service performance reports for domestic First-Class Mail, Periodicals, USPS Marketing Mail, Package Services, Special Services, and Single-Piece First-Class Mail International.

The Postal Service will continue collecting performance data for service measurement. Quarterly reports include data on the percentage of mail delivered on-time, as well as the percentage of mail delivered within 1-day, 2-days, and 3-days of the standard being measured. Annual compliance reports for each market-dominant product will include the annual target and the annual percentage of mail delivered on time.

For Special Services, the Postal Service will report on time performance for individual Special Services products.

4. First-Class Mail

4.1 Background

Domestic First-Class Mail contains Single-Piece letters and cards, Presort letters and cards, Single-Piece and Presort flats. The Postal Service measures results for each of these products. Service performance is reported for presort and single-piece categories, as well as in aggregates weighted by type/or volumes as needed to satisfy reporting requirements.

4.2 First-Class Mail Single-Piece Letters/Cards and Flats

4.2.1 Current State

The internal SPM system for First-Class Mail Single-Piece letters and flats measures pieces deposited in Postal Service collection boxes, and office building mail chutes and accepted at postal retail units (a.k.a. Postal Service collection points). The Processing Duration measured for this mail is based on the first observed processing operation. If an expected outgoing operation is observed as the first processing operation, the processing duration will be measured from the first processing operation to the last processing operation. If any operation other than an outgoing operation is observed as the first processing operation, the processing duration will be estimated as the service standard expected based on the origin and destination of the mailpiece. These pieces are categorized as FPO1 (first processing scan observed on outgoing processing operation) and FPO2 (first processing scan observed on destinating processing operation) respectively. Overall performance for mail pieces in both processing flows will then be adjusted for First Mile and Last Mile Impacts.

4.2.1.1 First Mile Impact

The First Mile Impact measures how long mail takes from collection to the first processing operation.

First Mile Impact is based on a composite score that is calculated based on collection pickup time as well as mailpiece scan information from randomly-selected collection points. Together, these two components create the composite First Mile Impact collection profile.

For the first part of the composite, the carrier's CPMS scans provide the pickup date, time, and location information. The CPMS scan data is validated by comparing the CPMS scan to the CPMS box location points. For valid CPMS scans, the First Mile Impact is calculated based on the pickup time and the average volume of each collection point to determine the percentage of mail picked up on time. The percentage of mail with a "Start-the-Clock" event for the day of pickup is calculated by comparing the latest posted pickup time for the Postal Service Collection Point to the scanned pickup time.

If the scan event indicates the CPMS scan is on or after the last posted pickup time for the previous day, then 100% of the mailpieces will have a "Start-the-Clock" event the same day as pickup, unless pickup occurs on a Non-Airlift Day. If the scan event data indicates the CPMS scan for a specific collection point was before the last posted pickup time on the previous day, then a percentage of the volume will be considered to have a "Start-the-Clock" event the previous day. This percentage of volume is calculated based on (1) the average volume of each collection point, (2) the time in between the scheduled last pickup and the actual pickup, and (3) a volume profile which indicates the percentage of mail that is expected to be deposited based on the time before pickup.[8]

For the second part of the composite, the carrier scans barcoded mailpieces from randomly selected collection points. Sufficient collection points and mailpieces will be sampled to ensure statistical validity and to compensate for any unforeseen issues that may arise with the selected collection point scans. The collection points are chosen in a statistically-valid, random process with coverage for the 3-digit ZIP Code service area.

In addition, single-piece First-Class Mail letters and flats accepted at retail counters which have ancillary Special Services, such as Certified Mail, are included in the First-Mile measurement. These pieces represent the segment of mail entering through the retail channel. The Special Services types included in the First-Mile measurement process encompass all types for which the procedures for handling the mail from acceptance to initial automated processing follow the same flow as for mail without Special Services. These pieces have scan events at the retail counter which will serve as the "Start-the-Clock" event, except on Non-Airlift Days, and should receive processing scans on mail processing equipment to allow for the measurement of time in First Mile.

The scanned pieces are used to determine the percentage of mail that receives its first processing event on the date calculated from the collection date and time, and the percentage processed one day later, two days later, etc. For FPO1 pieces, the induction date of the mail is determined by the first processing event date and time. For FPO2 pieces, the induction date of the mail is calculated using the anticipated delivery date of the mail and adjusting by the expected service standard based on the origin and destination of the piece.

The validity of the CPMS scans and sampled mailpiece scans are analyzed on an ongoing basis to

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[8] The average collection point volume is calculated for all collection points at least annually, based upon a density volume test, and updated in the CPMS system. As part of the density volume test, the volume profile is measured, indicating the average volume that is deposited between pickup times throughout the day for collection points with multiple daily collections.

identify any invalid or fraudulent data that should be excluded from measurement.

4.2.1.2 Processing Duration

The Postal Service measures mail between the First and Last Processing Operations. Mailpieces are uniquely identified during processing operations. When a mailpiece goes across automation equipment, a unique IMb, ID Tag or FICS ID Tag is applied to the piece. The Postal Service uses this tracking information to measure the processing duration for the mailpiece, which is then compared to the service standard and adjusted by First Mile and Last Mile Impacts to calculate the service variance.

4.2.1.3 Last Mile Impact

The internal SPM system measures performance in all 3-digit ZIP Code service areas. For the Last Mile factor, a sufficient number of locations are measured to ensure statistical validity and to compensate for any unforeseen issues that may arise with the selected delivery point scans. The delivery points, including P.O. Boxes, are chosen in a statistically-valid, random process with coverage for the 3-digit ZIP Code service area.

The delivery point sample is a probability proportional to population size. As such, 5-digit ZIP Code areas with larger numbers of delivery points have higher representation than 5-digit ZIP Code areas with smaller populations (delivery points). Sample sizes are based on the number of delivery points in the 3-digit and 5-digit ZIP Codes.

The internal SPM system randomly selects delivery points for last mile measurement that cumulatively cover a variety of shapes and characteristics representing a mix of service standards. These randomly-selected delivery point sample requests are encrypted and transmitted to the carrier scanning devices, where they lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier is prompted to scan up to 15 mailpieces for that delivery point.[9] Sampling requests for randomly selected Post Office Box delivery points are delivered to systems and scanning devices available to retail employees in a separate process.

4.3 First-Class Mail Presort Letters, Cards and Flats

4.3.1 Current State

The primary induction method for Presort letters and cards is bulk entry at postal mail processing plants and Business Mail Entry Units (BMEUs) across the United States. The components of service measurement for presort mail consist of the processing duration, which is calculated based on the “Start-the-Clock” event and the Last Processing Operation and the Last Mile Impact, which is calculated based on carrier scanning of randomly-selected delivery points.

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[9] For a given delivery point, the Postal Service will scan no more than 15 pieces for Last Mile sampling, to avoid impacting productivity, as some businesses might have hundreds of pieces, causing the carrier to spend enormous amounts of time scanning individual pieces.

4.3.1.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation requirements. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement but it may have a new “Start-the-Clock” event of Day-0. Mail “Start-the-Clock” event times and mail preparation quality information are made available to Full Service IMb mailers.

The processing duration is calculated as described in Section 3.1.2.

Mail that does not receive any Postal Service processing scans is excluded from service performance measurement.

4.3.1.2 Last Mile Impact

The internal SPM system randomly selects delivery points, including P.O. Boxes, for last mile measurement, and includes a variety of mailpiece shapes and characteristics to reflect a mix of First-Class Mail delivery scenarios subject to the same service standards. These randomly-selected delivery point sample requests are encrypted and transmitted to mailpiece scanning devices belonging to postal delivery and box section personnel, where they lay dormant until, for example, a letter carrier breaches the geo-fences surrounding a delivery point identified in the encrypted message. At that point, the carrier is prompted to scan up to 15 mailpieces for that delivery point.

The delivery scan provides the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for presorted First-Class Mail, including any pieces that does not receive a delivery scan.

4.3.1.3 Service Performance Calculations

Service performance estimates for presorted First-Class Mail are comprised of processing and delivery performance estimates. Processing performance is estimated using the transit-time duration, in days, of Full-Service Intelligent Mail data from the “Start-the-Clock” event to Anticipated Date of Delivery, and adjusted based on the Last Mile delivery factor. The Postal Service creates a profile of performance by calculating the proportion of volume processed early, on time, and late, relative to the service standard. The Postal Service creates a profile for delivery performance, also known as the Last Mile delivery factor, by calculating the proportion of pieces delivered on the anticipated delivery date, one day later than the anticipated delivery date, two days later, etc.

Estimates of on-time performance are created using all possible combinations of processing and delivery performance that reflect on-time performance relative to the service standard. For example, the proportion of mail processed one day early relative to the service standard is combined with the proportion of mail processed on time and one day delayed in delivery, in the manner illustrated in Table 4-1 below.

Processing Profile	Percentage	Delivery Profile	Percentage	Contribution to On Time Score	Cumulative On Time Score
1 Day early	9.0	0 Days	95.0	8.55	8.55
		1 Day	5.0	0.45	9.00
On Time	88.0	0 Days	95.0	83.6	92.6
		1 Day	5.0	0.0	92.6
Late	3.0	0 Days	95.0	0.0	92.6
		1 Day	5.0	0.0	92.6

Table 4-1: Example of Presort First-Class Mail On-Time Calculation

4.4 First-Class Mail Parcels[10]

All domestic First-Class Mail Parcels are classified as competitive products. The Single-Piece First-Class Mail Parcels product was classified as competitive in September 2017.

4.5 Reporting for First-Class Mail

4.5.1 Current State

The Postal Service publicly reports First-Class Mail service performance data to the Commission on a quarterly and annual basis and publishes SPM data on usps.com on a quarterly basis. The Postal Service reports on First-Class Mail performance by service standard (i.e., Overnight, Two-Day, Three-Day, Four-Day, and Five-Day), for each postal district. Performance for both Single-Piece and Presort First-Class Mail letters, cards, and flats are measured by the Postal Service's internal SPM system.

4.5.1.1 Quarterly Reporting

For First-Class Mail, the Postal Service reports on-time service performance by service standard (i.e., Overnight, Two-Day, Three-Day, Four-Day, and Five-Day), for each postal district on a quarterly basis. There are separate reports showing origin/destination combined performance for the following First-Class Mail products:

- Single-Piece First-Class Mail Letters and Cards;
- Presort First-Class Mail Letters and Cards; and
- First-Class Mail Flats.

In addition to the on-time service performance reports, similar reports are produced to show service variance. These reports show the percentage of mail delivered within one-day, two-days, and three-

[10] In Docket No. MC2015-7, the Commission approved the Postal Service's request to transfer First-Class Mail Parcels from market dominant to the competitive product list.

days of the applicable standard.

Service performance reports include the following items:

- A narrative describing the measurement approach, limitations, and any exceptions.
- Quarterly scores at the district, area, and national levels for Overnight, Two-Day, Three-Day, Four-Day, and Five-Day service standards.
- Year-to-Date scores at the district, area, and national levels for Overnight, Two-Day, Three-Day, Four-Day, and Five-Day service standards.
- Quarterly Aggregation showing the formulae for calculating area and national level service performance scores from the district scores. The aggregation is the summation across districts within an area of the service scores multiplied by the weights. The reports also show the measured volume of pieces.
- Various Year-to-Date Aggregation reports showing the formulae for calculating year-to-date scores from the quarterly scores. Scores are calculated by summing across quarters the service scores multiplied by the proportion each quarter represented of the year. For Single-Piece Letters/Cards and Flats, the aggregation is slightly different, using weights and delivery days in the quarter in place of the proportion.
- Delivery Factor report for Presort Letters/Cards and Flats showing the Last Mile Impact at the district, area, and national levels for each service standard. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from the “Start-the-Clock” event to final automated processing with the service performance of mail from the “Start-the-Clock” event to delivery.
- Summary of the exclusion reasons for commercial First-Class Mail as required by PRC Order No. 3490.
- Summary of total measured and unmeasured volumes for commercial First-Class Mail as outlined in PRC Order No. 3490.

A link to the reports provided to the Commission is provided in Section 10.11.

4.5.1.2 Annual Reporting

Separate national measures are compiled at the end of the fiscal year for each First-Class Mail shape (Letters/Cards and Flats) and by service standard (One-Day, Two-Day, Three-Day, Four-Day, and Five-Day).

The annual performance report shows the service performance for each First-Class Mail product compared to the target, along with the aggregation methodology. The report includes the following:

- A narrative describing the methodology, limitations, and any exceptions.
- On-Time Performance showing the annual national level service performance by service standard, along with the annual targets.
- Aggregation showing the formulae used for calculating annual scores based on the quarterly scores. The aggregation is the summation across quarters of the service scores multiplied by weights multiplied by the delivery days in the quarter, divided by the sum of the weights multiplied by the delivery days.

- A report providing descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system.

4.5.1.3 Public Reporting

The Postal Service posts simplified service performance reports on a quarterly basis at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. These reports, available in both PDF and HTML versions, show separate service performance scores for First-Class Mail Single-Piece and First-Class Mail Presort. These reports show combined scores for First-Class Mail Single-Piece across all products (letters, cards, and flats) and for First-Class Mail Presort across all products (letters, cards, and flats). The reports include the following information:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/destination composite scores for the quarter at the district, area, and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.
- Trend charts and reports also allow users to see current and prior quarterly scores for districts and postal areas.

5. Single-Piece First-Class Mail International

5.1 Current State

The United States Postal Service accepts outbound Single-Piece First-Class Mail International[11] pieces for processing and dispatches them to foreign postal administrations for delivery to the destination addresses. The service standard for the outbound domestic transit of this mail is the same as for First-Class Mail pieces from the domestic 3-digit ZIP Code of origin to the domestic 3-digit ZIP Code area in which the Postal Service International Service Center (ISC) designated for that origin and product is located.[12]

Inbound Single-Piece First-Class Mail International originates from other countries and is destined for delivery to addresses in 3-digit ZIP Code areas of the United States. The service standard for the inbound domestic transit of this mail is the same as for First-Class Mail that originates from the 3-digit ZIP Code in which the designated ISC is located to the 3-digit ZIP Code area of the delivery

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[11] Outbound Single-Piece First-Class Package International Service is a competitive product and the Postal Service is not required to measure its service performance. Inbound Letter Post will be measured for service performance using several methods which produce a combined score for the entire product.

[12] The postal mail processing network includes a handful of ISCs. With the exception of outbound letters and flats, each ISC serves a region of the postal network and is responsible for conducting the initial international processing for inbound international mail or the final international processing for outbound international mail. Outbound international letters and flats are processed through the ISC at JFK airport. For all other outbound mail, the ISC for a postal network region may be the gateway facility from which mail is dispatched to foreign postal operations. In a small percentage of cases, outbound mail may be transported from its designated ISC to another ISC for the outbound gateway processing that precedes its exit from the postal network.

address.

Service performance for the domestic transit of both inbound and outbound Single-Piece First-Class Mail International letters & flats is measured by the Postal Service's Internal SPM system. Inbound Single-Piece First-Class Mail International flats use performance of domestic Single-Piece First-Class Mail flats as a proxy to measure processing duration.

5.1.1 "Start-the-Clock"

The inbound "Start-the-Clock" event tracking begins with the date and time of the first Postal Service scan of the Intelligent Mail barcode on a piece at the ISC, which first handles the piece. Mail pieces received at the designated ISC on a Sunday or holiday have a "Start-the-Clock" event date of the next processing date.

5.1.2 "Stop-the-Clock"

As an outbound international mail letter travels through the Postal Service's mail processing system, the barcode information on the piece is captured and used to measure its progress. When the letter is sorted at the designated ISC, it receives an ID tag and/or processing scan. The "Stop-the-Clock" event for an outbound mailpiece is the date of the last scan at the designated ISC. The number of transit days for outbound mail is the difference between the induction date and the date of the last scan at the designated ISC. Because the "Stop-the-Clock" event takes place at an ISC, as opposed to a delivery point, the transit days calculation includes Sundays and holidays.

5.1.3 First Mile Impact

For mail identified as outbound to an International destination, First Mile Impact is calculated as described in Section 4.2.1.1 (i.e., First Mile Impact used for domestic Single-Piece First-Class Mail is applied to outbound Single-Piece First-Class Mail International).

There is no measured First Mile Impact for inbound mail. Measuring First Mile Impact for inbound Single-Piece First-Class Mail International is not practical because such inbound mail usually does not contain barcodes or nesting to handling units, and the first visibility event for these pieces is usually the processing scan on USPS mail processing equipment where the barcode on the piece is also applied.

5.1.4 Processing Duration

The processing duration for all Single-Piece First-Class Mail International letters and flats is calculated as described in Section 4.2.1.2 using the First and Last Processing Operations.

For inbound letter mail, the first operation is identified based on the operational sort plans specifically identified for international processing that occur at the ISC/associated processing facility which process the mail. The service standard for this mail is the same as for Single-Piece First-Class Mail that originates from the 3-digit ZIP Code where the initial sort occurs to the 3-digit ZIP Code area of

the destination. Inbound Single-Piece First-Class Mail International flats is measured using domestic Single-Piece First-Class flats as a proxy. There is no simple way to identify inbound international flats without costly operational changes that would significantly impact productivity.

For outbound mail, the last operation is identified based on the specific ISCs that process outbound mail. The service standard for this mail is the same as for Single-Piece First-Class Mail pieces from the domestic 3-digit ZIP Code of origin to the domestic 3-digit ZIP Code area in which the ISC designated for that origin and product is located.

5.1.5 Last Mile Impact

For mail identified as inbound to the United States, Last Mile Impact is calculated as described in Section 4.2.1.3 (i.e., Last Mile Impact used for domestic Single-Piece First-Class Mail is applied to inbound Single-Piece First-Class Mail International).

There is no measured Last Mile Impact for outbound mail. The Postal Service does not measure end-to-end performance for international letters/flats, only the domestic leg is measured (i.e., measurement for outbound mail ends at the last processing scan at the ISC).

5.2 Reporting Single-Piece First-Class Mail International

5.2.1 Quarterly Reporting

The Postal Service reports international quarterly service performance at a postal administrative area level, as well as for the nation. Each measurement includes the percentage delivered on time for outbound and for inbound Single-Piece First-Class Mail International. All scores are weighted at the area level using proportions derived from a rolling average of estimated volumes for 12 fiscal quarters. The service variance for Single-Piece First-Class Mail International is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable service standard.

The quarterly reports include the following information:

- Narrative explaining the measurement approach and any exceptions and limitations.
- Quarterly service performance scores for Inbound and Outbound mail at the district level combined across service standards, and at the national level by service standard and combined.
- Year-to-Date service performance scores for Inbound and Outbound mail at the district level combined across service standards, and at the national level by service standard and combined.
- Inbound and Outbound Quarterly Aggregation reports showing the formulae for calculating the Overall scores by aggregating across scores for letters, flats, and parcels. The aggregation is the summation of service scores multiplied by the proportion that each shape represents of the total. Aggregation includes national level results for each service standard and the aggregation formulae for overall area level scores combined across service standards. The reports also include the measured volume of letters.

- Year-to-Date Aggregation-1 showing the formulae for calculating the overall scores from the scores for each shape. The formulae are the summation of the year-to-date shape-level scores multiplied by the proportion each shape's representation of the total. This report relies on information in the next report.
- Year-to-Date Aggregation-2 showing the formulae for calculating the year-to-date letter scores from the quarterly scores. The formulae include the summation of the product of the scores, the weights, and the delivery days in the quarter, divided by the summation of the weights multiplied by the delivery days. Aggregation details for flats and parcels are not shown in this report because they are proxy results and can be found in other reports.

A link to the reports provided to the Commission is provided in Section 10.11.

5.2.2 Annual Reporting

The Postal Service's Annual Compliance Report includes the national measures per fiscal year for the percentage of outbound and inbound Single-Piece First-Class Mail International delivered on time. Annual performance consists of a weighted average that allots weight based on the volume of mail in each of the postal administrative areas. If the data are not representatively distributed, the weighting ensures that each area counts for the appropriate portion of the national aggregate.

The Annual Compliance Report format for the Single-Piece First-Class Mail International includes the following items:

- Narrative explaining the measurement approach, limitation, and exceptions
- The national level service performance scores by service standard and across the service standards, along with the annual target. Scores are shown for Inbound and Outbound separately.
- Aggregation-1 report showing the formulae used for calculating the overall scores across the shapes, using weighted proportions for the annual shape-level scores. This report relies on information in the next report.
- Aggregation-2 report showing the formulae used for calculating the annual letter scores from the quarterly scores. The aggregation is the summation of the product of service scores, weights, and delivery days in each quarter, divided by the summation across quarters of the weights multiplied by the delivery days. Volumes shown represent the number of measured pieces.
- A report providing descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system.

5.2.3 Public Reporting

The Postal Service posts simplified service performance reports on a quarterly basis at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for areas and the nation for Inbound, Outbound, and Inbound/Outbound Combined categories. Included in the reports is the following information:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.
- Trend charts and reports also allow users to see current and prior quarterly scores for postal areas.

6. USPS Marketing Mail

6.1 Background

USPS Marketing Mail (formerly Standard Mail) has the largest annual volume of any mail product. There are seven segments within USPS Marketing Mail as listed below, not including special negotiated service agreements:

- High Density and Saturation Letters;
- High Density and Saturation Flats & Parcels;
- Carrier Route;
- Letters;
- Flats;
- Parcels; and
- Every Door Direct Mail-Retail.

The measurement approach for USPS Marketing Mail is very similar across many of the segments and will be described in the sections that follow.

6.2 Current State

6.2.1 USPS Marketing Mail Letters

The primary induction method for USPS Marketing Mail non-saturation, saturation, and high-density letters is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, mail processing scans, and IMb delivery scan data provided by carrier sampling delivery scans.

6.2.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new “Start-the-Clock” event of Day-0. Drop shipment mailers schedule

appointments for USPS Marketing Mail letters in the Postal Service's Facility Access and Shipment Tracking (FAST) system for DNDC, DADC, and DSCF drop shipments. The "Start-the-Clock" event is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full-Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.1.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

6.2.1.2 Last Mile Impact

The internal SPM system randomly selects delivery points for last mile measurement that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests are encrypted and transmitted to the carrier scanning devices, where they lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier is prompted to scan up to 15 mailpieces for that delivery point.

The delivery scan provides the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

6.2.2 USPS Marketing Mail Non-Saturation Flats

Non-Saturation flats are included within the following segments: High Density Flats, Carrier Route, and Flats. The primary induction method for USPS Marketing Mail flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and IMb delivery scan data provided by carrier sampling delivery scans.

6.2.2.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation criteria. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new "Start-the-Clock" event of Day-0. Drop shipment mailers create appointments for USPS Marketing Mail flats in the Postal Service's Facility Access and Shipment Tracking (FAST) system at DNDC, DADC, and DSCF facilities. The "Start-the-Clock" is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full-Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 4.3.1.1.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement. The Bundle Visibility initiative provides additional scans for USPS Marketing Mail, Periodicals, and Bound Printed Matter Flats presented to USPS in bundles which may not be processed on automated processing equipment. Prior to this initiative, many such pieces were excluded from service measurement because of the lack of a processing scan. In this initiative, manual scans of the nested containers (postal and mailer containers) are associated with all pieces within the bundle to provide visibility of the mail at the destination delivery unit. These bundle scans serve as the last processing operation to determine the anticipated date of delivery.

6.2.2.2 Last Mile Impact

The internal SPM system randomly selects delivery points for last mile measurement that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests are encrypted and transmitted to the carrier scanning devices, where they lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier is prompted to scan up to 15 mailpieces for that delivery point.

The delivery scan provides the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

6.2.3 USPS Marketing Mail Saturation Flats

For USPS Marketing Mail saturation flats, the primary induction method is Sectional Center Facility or Delivery Unit dropped bundles and saturation trays. Due to the distinct characteristics of saturation flats, the Postal Service measures this mail type using the following approach.

The service performance measure for DDU-entry Saturation Flats involves the identification of major weekly Saturation mailings within delivery units. Delivery of these mailings is captured with a scan made by carriers at the completion of delivery of all pieces on the route. Service performance is measured by comparing the delivery date to the end date of the mailer requested in-home window to determine the percentage delivered on time.

6.2.4 USPS Marketing Mail Parcels

USPS Marketing Mail parcel shippers may choose to purchase Special Services such as USPS Tracking for their mail. The Postal Service performs service measurement on USPS Marketing Mail parcels that pass verification and use USPS Tracking service. Full Service includes electronic submission of postage statements and mailing documentation, unique Intelligent Mail Package barcodes, unique Intelligent Mail Container barcodes, and appointment scheduling for drop shipments at DNDC, DADC, and DSCF facilities. These requirements are separate from addressing, pre-sortation, containerization, or other specifications generally governing price eligibility.

6.2.4.1 “Start-the-Clock”

The “Start-the-Clock” event for USPS Marketing Mail parcels is the documented arrival time at the Postal Service facility. The “Start-the-Clock” event for parcel drop shipments at DNDC, DADC, or DSCF facilities is based on the customer’s documented appointment and the driver-reported arrival time. For mailings presented at a BMEU, the arrival of the mailing is used as the “Start-the-Clock” event if the mailing meets applicable preparation and service measurement requirements. When such data are not available or deemed unreliable, the “Start-the-Clock” event is based on the first scan on automation equipment or manual scans made by postal personnel in some cases. For mailings presented at the Delivery Unit, the USPS Tracking or Intelligent Mail Container barcode scans are used as the “Start-the-Clock” Event.

6.2.4.2 “Stop-the-Clock”

Postal personnel scan USPS Tracking barcodes upon delivery of parcels for which USPS Tracking service has been purchased. They can denote the delivery or attempted delivery, either of which serves as the “Stop-the-Clock” event.

6.2.5 Every Door Direct Mail-Retail

Every Door Direct Mail-Retail (EDDM-Retail) flats are a USPS Marketing Mail product which allows mailers to reach all active addresses within a designated area. These pieces have simplified addressing requirements without IMbs and are inducted at the Post Office of the target area. These preparation characteristics require a unique measurement approach. Service performance is measured by comparing the total transit time from the “Start-the-Clock” event to the “Stop-the-Clock” event to the applicable service standard to determine the percentage delivered on-time.

6.2.5.1 “Start-the-Clock”

The “Start-the-Clock” event is the point-of-sale (POS) scan when the EDDM-Retail bundle is accepted by the Postal Service at the Post Office. Postal customers prepare EDDM-Retail mailings with facing slips which provide provide information about the mailing. These slips have a unique barcode for each mailing. Scans of these barcodes at the retail counter serve as the mailing acceptance and start the measurement clock.

6.2.5.2 “Stop-the-Clock”

The “Stop-the-Clock” event is the scan of the Intelligent Mail parcel barcode (IMpb) on a bundle facing slip when the bundle has been distributed to postal personnel for delivery. The measurement process assumes that all pieces within the bundle will be delivered on the distribution date indicated by the scan of the bundle facing slip because there are no unique barcodes on each mailpiece to enable piece-level tracking.

6.3 *Reporting for USPS Marketing Mail*

6.3.1 Quarterly Reporting

Quarterly reporting for USPS Marketing Mail reflect performance by postal district separately for destination entry mail and end-to-end mail and for service standard groupings. The reports are produced for each USPS Marketing Mail product including the following:

- Saturation and High-Density Letters;
- Saturation and High-Density Flats and Parcels;
- Carrier Route;
- Letters;
- Flats;
- Parcels; and
- Every Door Direct Mail-Retail.

While most mailers are required to provide electronic documentation to allow the assignment of USPS Marketing Mail product to each piece of mail measured, small Full-Service mailings are allowed to use documentation tools that do not provide piece-level detail. As a result, the Postal Service is unable to categorize the product for some pieces even though all other critical measurement attributes are available. To avoid the systematic exclusion of such mail, which might bias the results given the nature of mailers using this documentation method, the Postal Service also provides reports for these pieces, labeled “Mixed Product Letters” and “Mixed Product Flats.”

USPS Marketing Mail reports consist of both service performance and service variance reports. The service performance report shows the percentage of mail delivered within the service standard.

The service variance for USPS Marketing Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. All reports are shown as origin/destination combined scores, meaning that the scores are the aggregation of how the district or area performed on mail originating there and for mail destinating there. In this calculation, each piece of mail is counted twice, once based on the origin and once based on the destination.

The USPS Marketing Mail service performance reports each contain several tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions.
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval.
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information.
- USPS Marketing Mail Overall Quarterly Aggregation showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for the product for the quarter, using the scores and national level proportions applied to each district, area, and national score. This step of aggregation relies on information from the next two aggregation reports.

- USPS Marketing Mail Destination Entry Aggregation showing the formulae for aggregating scores from districts up to the areas and the nation within a destination-entry service standard category. The aggregation is the summation of the service scores multiplied by the weights for districts within the area, and the areas up to the nation's scores. The report also includes volume information, indicating the number of pieces included in the scoring.
- USPS Marketing Mail End-to-End Quarterly Aggregation-1 showing the formulae for aggregating across the service standard groups to calculate the overall score for end-to-end mail. The aggregation is the summation across the service standard groups of the multiplication of service scores and weights, divided by the sum of the weights. This step relies on information from the next aggregation report.
- USPS Marketing Mail End-to-End Quarterly Aggregation-2 showing the formulae for calculating area and national scores from the district scores for each End-to-End service standard group. Aggregation is the summation across the districts within an area of the multiplication of service scores and weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported service standard group and entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for each district, area, and the nation. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from a "Start-the-Clock" event to final automated processing with the service performance of mail from a "Start-the-Clock" event to delivery.
- Summary of the exclusion reasons for USPS Marketing Mail as required by PRC Order No. 3490.
- Summary of total measured and unmeasured volumes for USPS Marketing Mail as outlined in PRC Order No. 3490.

A link of the reports provided to Commission are provided in Section 10.11.

6.3.2 Annual Reporting

The Postal Service reports a national aggregate measure per fiscal year for the percentage of USPS Marketing Mail delivered on time by product. It consists of a weighted average for each USPS Marketing Mail product that allots weight based on the volume of mail in each postal administrative district.

The annual report includes three tabs:

- USPS Marketing Mail On-Time Performance showing the national level targets and service scores achieved for the year for each USPS Marketing Mail product.
- Aggregation showing the formulae for aggregating the quarterly scores up to the annual score by summing up the service scores multiplied by the proportion each quarter represented of the year.
- Aggregation for High Density and Saturation Flats is displayed in its own report in order to show the volumes for DDU-entry Saturation flats separate from other High Density and Saturation flats due to the different measurement approaches.

- A report providing descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system.

6.3.3 Public Reporting

The Postal Service also provides simplified quarterly reports for USPS Marketing Mail service performance and service variance which are posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for districts, areas, and the nation across USPS Marketing Mail products and across service standards. The reports show performance for Destination Entry and End-to-End mail separately. Included in the reports is the following information:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at district, area, and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.
- Trend charts and reports also allow users to see current and prior quarterly scores for districts and postal areas.

7. Periodicals

7.1 Background

Periodicals consist of letter-and flat-shaped pieces, with the majority being flat-shaped. Most periodicals are destination-dropped at DDU, SCF, ADC, and NDC, but many are also entered to travel through the postal network, referred to as end-to-end.

7.2 Current State

7.2.1 Periodicals Letters & Flats

The primary induction method for Periodicals letters and flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and IMb delivery scan data provided by carrier sampling delivery scans.

7.2.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements.

Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail is included in service performance measurement, but it may have a new “Start-the-Clock” event of Day-0. Drop shipment mailers schedule appointments for Periodicals in the Postal Service’s Facility Access and Shipment Tracking (FAST) system for DNDC, DADC and DSCF drop shipments. The “Start-the-Clock” event is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full-Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.1.2.

Mail that does not receive any Postal Service processing scans is excluded from service performance measurement. The Bundle Visibility initiative provides additional scans for USPS Marketing Mail, Periodicals, and Bound Printed Matter Flats presented to USPS in bundles which may not be processed on automated processing equipment. Prior to this initiative, many such pieces were excluded from service measurement because of the lack of a processing scan. In this initiative, manual scans of the nested containers (postal and mailer containers) are associated with all of the pieces within the bundle to provide visibility of the mail at the destination delivery unit. These bundle scans serve as the last processing operation to determine the anticipated date of delivery.

7.2.1.2 Last Mile Impact

The internal SPM system randomly selects delivery points for last mile measurement that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests are encrypted and transmitted to the carrier scanning devices, where they lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier is prompted to scan up to 15 mailpieces for that delivery point.

The delivery scan provides the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

7.3 *Reporting for Periodicals*

7.3.1 Quarterly Reporting

Quarterly reporting for Periodicals Mail reflects performance by postal area separately for destination entry mail and end-to-end mail, as well as overall for Outside County Periodicals. Within County Periodicals have not had sufficient measurable IMb volume and representative geographic coverage to report service performance. As a result, the reports use all Periodicals as a proxy for the performance of Within County Periodicals

The service variance for Periodicals Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard.

The Periodicals service performance reports each contain several tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions.
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval.
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information.
- Periodicals Outside County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Outside County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodicals Outside County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Periodicals Within County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Within County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodical Within County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for Outside County for each area and the nation and the overall Last Mile Impact for Within County mail. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail measured from start-the-clock to delivery.
- Summary of the exclusion reasons for Periodicals as required by PRC Order No. 3490.
- Summary of total measured and unmeasured volumes for Periodicals as outlined in PRC Order No. 3490.

A link to the reports provided to the Commission is provided in Section 10.11.

7.3.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Within County and Outside County Periodicals mail delivered on time. The report includes two tabs:

- Periodicals On-Time Performance showing the annual scores and targets for Within County and Outside County Periodicals.
- Aggregation showing the formulae for calculating the annual scores. The annual score is the product of the quarterly service score and the proportion each quarter represents of the year. Volumes are also shown to provide information on the number of measured pieces included in the reports.
- A report providing descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system.

7.3.3 Public Reporting

The Postal Service provides a simplified quarterly report of Periodicals performance which is posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for areas and the nation for all Periodicals mail. The following information is included in these reports:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.
- Trend charts and reports also allow users to see current and prior quarterly scores for postal areas.

8. Package Services

8.1 Background

Market-dominant Package Services products include Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media/Library Mail.[13] Presort Package Services flat-shaped mail is mainly composed of oversized catalogs, which are operationally handled the same as USPS Marketing Mail flats. Accordingly, the Postal Service measures Presort Package Services flats using the same approach as non-saturation USPS Marketing Mail flats described in Section 6.2.2. For retail and presort parcel-shaped pieces, the measurement approach is outlined below.

[13] As a result of PRC Order No. 2160, ISPP has now been transferred to the competitive products list. As a result of PRC Order No. 2303, the Postal Service is semi-permanently exempt from measuring and reporting service performance scores for the Alaska Bypass Service.

8.2 Retail Package Services Parcels

The Postal Service measures service performance for Package Services parcel-shaped mail via USPS Tracking scans.

8.2.1 *"Start*-the-Clock"

The "Start-the-Clock" event for Retail Package Services mail occurs at the retail counter when the customer purchases USPS Tracking. When retail personnel apply the USPS Tracking barcode to parcels, they scan the USPS Tracking barcode. The scans are captured via a POS terminal at the retail counter or an Intelligent Mail handheld scanning device. Because the customer is present at the "Start-the-Clock" event and receives a time-stamped receipt with purchase, there are several validation points.

8.2.1.1 "Stop-the-Clock"

Postal personnel scan the USPS Tracking barcodes upon delivery or attempted delivery, either of which serves to as the "Stop-the-Clock" event.

8.3 Presort Package Services

The Postal Service performs service measurement on presorted mail that passes verification and uses USPS Tracking service or the IMb. Service performance preparation requirements include electronic submission of postage statements and mailing documentation (when required), unique Intelligent Mail® Package barcodes or IMbs, unique Intelligent Mail® Container barcodes, and appointment scheduling for drop shipments at DNDC, DADC and DSCF facilities. These requirements are separate from addressing, pre-sortation, containerization, or other requirements generally governing price eligibility.

8.3.1 "Start-the-Clock"

The "Start-the-Clock" event for Presort Package Services is the documented arrival time at the Postal Service acceptance facility. For drop shipments at DNDC, DADC, and DSCF facilities, the "Start-the-Clock" event is based on the customer's documented appointment and the driver-reported arrival time to the Postal Service, which are used to determine when the mail is available for processing. For mail that is presented at the BMEU, the arrival of the mailing is used as the "Start-the-Clock" event if the mailing meets applicable preparation and service measurement requirements. For mail that is presented at the Delivery Unit, USPS Tracking or Intelligent Mail Container barcode scan events are used as the "Start-the-Clock" event. As with other mailings that enter a postal facility loading dock area, the Postal Service scans containers that have an Intelligent Mail Container barcode or uses electronic documentation to validate mailer shipment content and acceptance time. If the information from the mailer is not available or is deemed unreliable, the first mail processing scan is used to determine the "Start-the-Clock" event.

8.3.2 “Stop-the-Clock”

For Package Services parcels, postal personnel scan USPS Tracking barcodes upon delivery or attempted delivery, either of which serves as the “Stop-the-Clock” event for service performance measurement.

8.4 Reporting for Package Services

8.4.1 Quarterly Reporting

The Postal Service reports quarterly on the percentage of mail that is delivered on time by Package Service product generally shown for Destination Entry, End-to-End and overall at the district, area, and national levels. Service variance is also reported in a separate but similar set of reports for each Package Services product. The quarterly reports for Package Services parcels include the following:

- Narrative describing the measurement approach, any exceptions, and limitations.
- Quarterly service performance scores at the district, area, and national levels showing scores for Destination Entry, End-to-End, and Overall.
- Year-to-Date performance scores for the product at district, area, and national levels by Destination Entry, End-to-End, and Overall.
- Quarterly Aggregation-1 showing the formulae for calculating the Overall score from the Destination Entry and End-to-End scores for each district, area, and the nation. The aggregation is the summation of performance scores multiplied by the volume, divided by the total volume measured. This report relies on information in the next report.
- Quarterly Aggregation-2 showing the formulae for calculating the area and nation scores for Destination Entry and End-to-End mail based upon the district scores. The aggregation is the summation of district performance scores multiplied by the measured volume, divided by the sum of the volume across districts.
- Multiple Year-to-Date Aggregation reports showing the formulae for calculating the year-to-date scores from the quarterly scores and volumes. The aggregation is simply the summation of the service performance scores multiplied by the measured volumes, divided by the sum of the volumes.
- Delivery Factor report showing the Last Mile Impact for Destination Entry and End-to-End Bound Printed Matter flats for each district, area, and nation. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from a “Start-the-Clock” event to final automated processing with the service performance of mail measured from the “Start-the-Clock” event to delivery.
- Summary of the exclusion reasons for Bound Printed Matter Flats as required by PRC Order No. 3490.
- Summary of total measured and unmeasured volumes for Package Services as outlined in PRC Order No. 3490.

A link to the reports provided to the Commission is provided in Section 10.11.

8.4.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Package Services mail delivered on time by Package Services product. The Postal Service's Annual Compliance Report for Package Services includes the following:

- The annual service target and service performance results for each Package Services product at the national level.
- Aggregation report showing the formulae for aggregating across the quarterly scores to the annual score. For parcel-shaped products, the aggregation is simply the summation of service performance scores multiplied by the quarterly measured volume, divided by the total volume measured for the year. For Bound Printed Matter flats, the aggregation uses a weighted proportion which represents each quarter of the year, rather than the measured volume.
- A report providing descriptions of the current methodologies used to verify the accuracy, reliability, and representativeness of service performance data for each service performance measurement system.

8.4.3 Public Reporting

The Postal Service provides a simplified quarterly report of Periodicals performance which is posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for districts, areas, and the nation for all Package Services mail. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at district, area and national levels. Scores are based on the measured volume for each product. This means that the measured volumes, rather than the population volumes, serve as the weights for each overall service performance score.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets
- Trend charts and reports also allow users to see current and prior quarterly scores for postal areas.

9. Special Services

9.1 Background

There are two categories of Special Services: ancillary and stand-alone. Ancillary Special Services are purchased in addition to the postage applicable to First-Class Mail, Periodicals, USPS Marketing Mail, and Package Services. These optional Special Services are varied in nature and include USPS Tracking, Signature Confirmation, Certified Mail, Electronic Return Receipt, Domestic and Inbound International Registered Mail, Collect on Delivery, and Address Correction Service, among others. In contrast to ancillary Special Services, stand-alone Special Services are not contingent on

sending or receiving a particular mailpiece and include services such as P.O. Box Service, Address List Services.

9.2 USPS Tracking, Signature Confirmation, Certified Mail, Registered Mail, Electronic Return Receipt, and Collect on Delivery

A principal feature of these Special Services is the electronic provision of information by the Postal Service to the sender regarding the delivery status of a particular mailpiece. That information may consist of confirmation that delivery was attempted, completed, or that a copy of the recipient's signature was captured.

For a number of these services, delivery-related information is generated by postal scanning of mailpieces at delivery units or during delivery. This scanning information is transmitted to the appropriate postal data systems in near real-time. Handheld scanners allow for signatures to be captured at delivery and transmitted with the delivery information. Captured delivery information is then made available to the purchaser of the Special Service.

The service measurement for USPS Tracking, Signature Confirmation, Certified Mail, Domestic and Inbound International Registered Mail, electronic Return Receipt, and Collect on Delivery uses data generated from delivery event barcode scans to measure the time between when delivery information is collected and when that information is made available to the customer. When the delivery scan event is captured by the handheld scanner, a time-stamp is associated with the scan, which is the "Start-the-Clock" event. When the scanning device is docked, the delivery scan event information is transmitted through postal data systems to the customer-accessible Track & Confirm page at https://www.usps.com, the Postal Service public website. The posting time to the customer-accessible website is the "Stop-the-Clock" event.

9.3 Address Correction

The electronic provision of information by the Postal Service to the mailpiece sender is a key component of automated Address Correction services. The identification of automated Address Correction of applicable mailpieces is performed passively by automated mail processing equipment, which then transmits information to postal data systems. Information from these systems is made available to the purchaser of the Special Service.

The service measurement for automated Address Correction uses the IMb on individual mailpieces. For automated Address Correction customers, scans are transmitted to the Address Correction System (ACS) at preset intervals during the day and the corrected address information is forwarded to customers who subscribe to the service. The "Start-the-Clock" event is the date and time when data are transmitted to ACS. The "Stop-the-Clock" event is the date and time when data are forwarded to participants.

9.4 Post Office Box Service

Post Office (P.O.) Box service is internally measured using scanning technology to compare the availability of mail delivered to a P.O. Box section by the posted "uptime." The "uptime" is the posted time of day when customers can expect to collect the mail from their P.O. Box. A barcode in

the P.O. Box section is scanned when the distribution of mail is complete.

9.5 Insurance Claims Processing

The Postal Service's Customer Inquiry Claims Response System (CICRS) is an application used to process indemnity claims when domestic insured articles are lost or damaged in the mail. For domestic claims, after the customer has submitted the appropriate claim form, Postal Service employees verify completion of the form and submit it for processing through the CICRS system. The claim is keyed into the system and the data are uploaded for processing. For claims that are not complete and that require additional information from the customer, correspondence is mailed to the customer requesting the missing information, with instructions regarding where to send the additional information.

Once all information is received by CICRS, the system proceeds to the claims processing resolution phase. The date that all information is available for claims processing resolution is the "Start-the-Clock" event. Depending on the value of the item lost or damaged, the claim may be automatically paid or denied by the system or sent for review by a postal insurance claims adjudicator or the Postal Service Consumer Advocate. The adjudicator or Consumer Advocate decides if the claim should be paid, denied, or closed. The date on which the system, adjudicator, Consumer Advocate pays, denies, or closes the claim and transmits a response to the customer is the "Stop-the-Clock" event.

9.6 Postal Money Order Inquiry Processing

The Money Order Inquiry System (MOIS) is an application used to process customer inquiries regarding Postal Money Orders they have purchased. After the customer has completed PS Form 6401 and paid for the inquiry service, Postal Service employees submit the form to a centralized facility for processing. The inquiry is scanned into the system and the data are uploaded for processing. MOIS verifies whether the money order in question has been cashed by running the money order number against a database of cashed money orders. The system generates correspondence to the inquiring customer regarding the status of the money order in question. The purchase of the inquiry service is the "Start-the-Clock" event. Transmission of a response to the customer is the "Stop-the-Clock" event.

9.7 Address List Services

Address List Services[14] are available to customers seeking correction of the addresses or ZIP Codes on their mailing lists, or the sequencing of their address cards. The Postal Service uses a system to record "Start-the-Clock" event and "Stop-the-Clock" event times for these services. The "Start-the-Clock" event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The "Stop-the-Clock" event is the transmission of the corrected address information from the delivery unit or district AMS office

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[14] "Address Management Services" is a group of five services that ensures that address elements and address lists are correct and up to date. "Address List Services" measures the "time in days from the date when customers request an address list service to the transmission of the corrected address information to the customer is compared against the service standard."

to the requestor.

9.8 Stamp Fulfillment Services

Stamp Fulfillment Services (SFS) involve the fulfillment of orders for various stamp products. The services are measured internally. The “Start-the-Clock” event occurs when an order is entered into the National Customer Management System (NCMS). The “Stop-the-Clock” event is based on the date when an order is closed in the SFS Automated Fulfillment Equipment System (when the order is placed into a manifest for placement into the mailstream). Products have differing service standards:

- Non-Philatelic/Non-Custom Internet Orders with Two-Day service standard;
- Business Level Orders with Five-Day service standard; and
- Philatelic/Custom and all other Orders with Ten-Day service standard.

Business days are defined as non-holiday working days, Monday through Friday. The following items are excluded from measurement: pre-orders and backorders, planned system downtime with customer notification, and system failures (unplanned downtime).

9.9 Green Card Return Receipt –Current State

Service performance of the return receipt service is measured through the Internal SPM system.[15] Based on acceptance events when the return service is purchased for a piece of mail, the SPM system identifies the return label barcode and provides notification to the mobile scanner of the carrier that will deliver the piece. Once the specific barcode is scanned, the carrier is prompted to record whether a signature was captured or not. In addition to this sampling process, all other processing and delivery scan information captured for the original mail piece and the return service mail piece is tracked and linked together, enabling the service performance to be reported each quarter.

9.10 *Reporting for Special Services*

9.10.1 Quarterly Reporting

The following Special Services are reported quarterly at the national level:

- Certified Mail
- Return Receipt (Electronic)
- Return Receipt (Green Card)
- USPS Tracking
- Insurance

[15] In accordance with Order No. 5576, the Postal Service’s only uses internal data for International Inbound and Outbound Mail and Return Receipt/Green Card products. PRC Order No. 5576, Order Granting Request and Approving Use of Internal Service Performance Measurement System, PRC Docket No. PI2019-1 (July 1, 2020).

- All Other Domestic Ancillary Services
- International Ancillary Services
- Address List Services
- Money Orders
- Stamp Fulfillment Services

Post Office Box service performance is reported at the district, area, and national levels each quarter.

In addition to the quarterly service scores, the reports also include the following information:

- A narrative describing the measurement approach, limitations, and measurement exceptions.
- Year-to-Date scores in the same format as quarterly scores.
- Special Services quarterly and year to date aggregations reports showing the formulae used for calculating the Overall Ancillary Services scores. Aggregation uses revenue proportions as weights for the quarterly scores.
- Post Office Box quarterly and year-to-date aggregation reports showing the formulae for aggregating district scores to area and national level, using the measured volumes as the weights for scores.
- Stamp Fulfillment Services quarterly and year-to-date aggregation reports for service variance showing how the overall scores are calculated from the individual product service variance scores.

A link to the reports provided to the Commission is provided in Section 10.11.

9.10.2 Annual Reporting

The Postal Service reports national level Special Services performance in the Annual Compliance Report for the following products:

- Ancillary Services;
- International Ancillary Services;
- Address List Services;
- Money Orders;
- Post Office Box Service; and
- Stamp Fulfillment Services.

In addition to the service performance scores for these products, the report also contains a detailed aggregation report showing the formulae used to calculate the annual scores. Reports include the on-time volumes and total volumes, as well as revenue portions for Ancillary Services used for weights to calculate Overall Ancillary Services scores.

9.10.3 Public Reports

The Postal Service also provides a quarterly report of Special Services performance which can be found at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for some

Special Services. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Scores at the national level for Address Correction, Insurance Claims Processing, Address List Services, and Money Order Inquiry Processing. Scores at the district, area, and national levels for Post Office Box service and Combined Delivery Information Special Services. The Delivery Information Special Services include USPS Tracking, Signature Confirmation, Certified Mail, Electronic Return Receipt, Registered Mail, and Collect on Delivery.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

10. Appendix

10.1 Service Measurement Business Rules

The business rules for service performance measurement for First-Class Mail, USPS Marketing Mail, and Periodicals letters, cards, and flats are intended to maintain a clearly defined structure for, and ensure the reliability of, the measurement system. The business rules are grouped into the four subject areas below: “Start-the-Clock”, “Stop-the-Clock”, Exclusions, and Special Services.

10.2 “Start-the-Clock”

Generally,[16] if the mail arrival time is before the CET, the “Start-the-Clock” event of Day-0 will be the day of entry. If the day of entry is a holiday or Non-Airlift Day, the “Start-the-Clock” event of Day-0 will be the next applicable acceptance day. If the day of entry is a Sunday and the mail arrival time was not recorded, the “Start-the-Clock” event of Day-0 will be the next business day. Origin entered mail cannot have a “Start-the-Clock” event of Day-0 on a Sunday. If the mail arrival time is after the CET, then the mail will have a “Start-the-Clock” event of Day-0 of the next acceptance day for that facility.

As mail entry processes and systems change over time, so too will the methods by which the Postal Service will gather “Start-the-Clock” and “Stop-the-Clock” event information. The following rules apply to current entry scenarios.

1. Single-Piece Mail Entered at Collection Box or Wall Chute

1.1 Critical Entry Time. For single-piece mail measured, the CET is the last pickup time of the collection box or wall chute where the mail is deposited.

1.2 “Start-the-Clock.” The “Start-the-Clock” event is the date and time of induction into a collection box or wall chute. For current state, the First Mile Impact is a composite measurement based on the collection point volumes and the delta between the CPMS scan date/time and the last scheduled pickup date/time as well as the delta between the

[16] Inbound international mail has a different “Start-the-Clock” measurement process.

collection date/time and the first processing operation date/time of randomly sampled mailpieces. Except on a Non-Airlift Day, the “Start-the-Clock” event is the collection date and time of a sample mailpiece from a collection box or wall chute.

The Current State decision process for calculating First Mile Impact is depicted below.

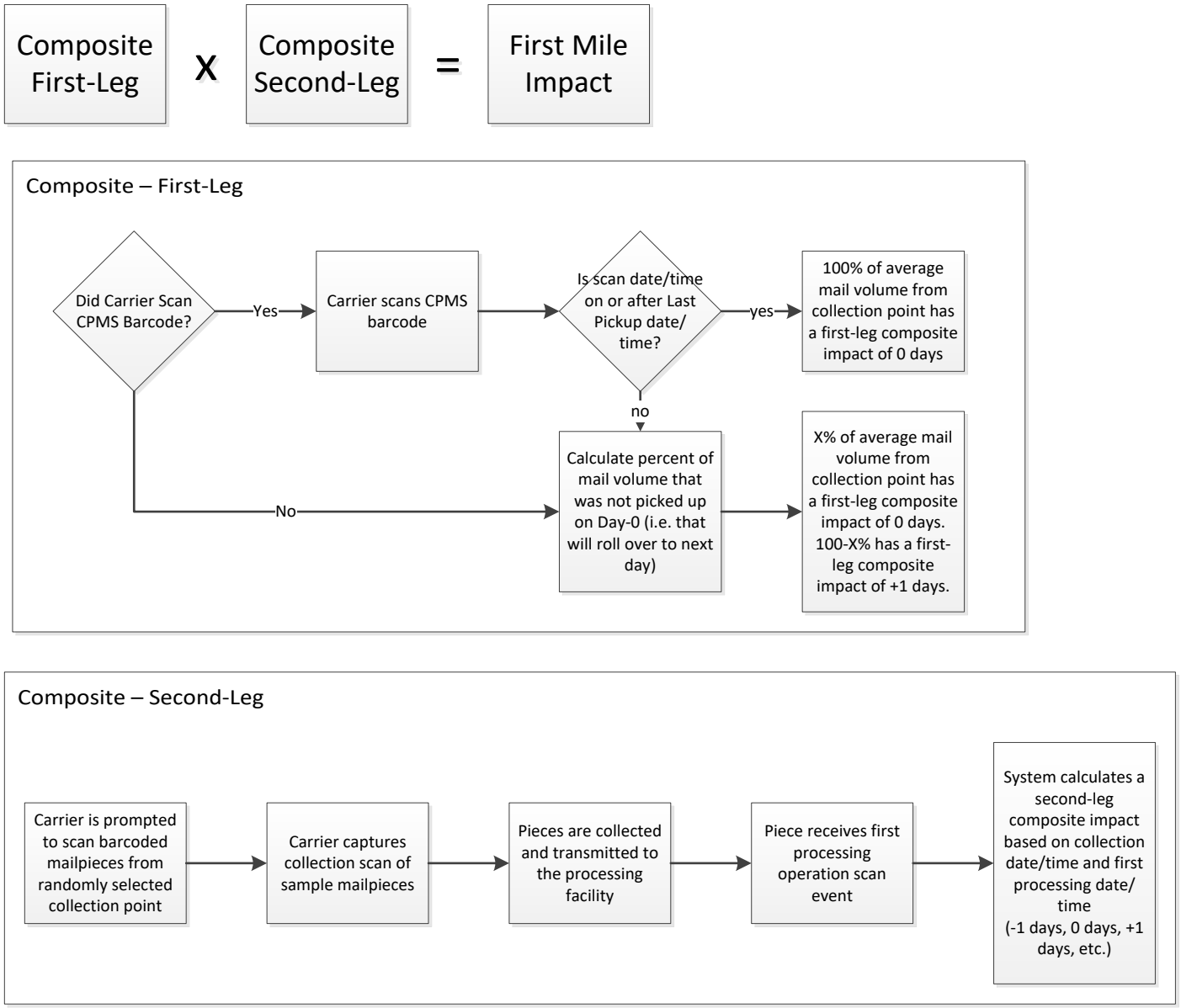


Figure 10-1: Current State decision process for calculating First Mile Impact

2. Mail Entered at the Business Mail Entry Unit (BMEU)

2.1. *Critical Entry Time.* For mailers who deposit mail at a BMEU, the CET is the nationally standardized CET for the specific mail class and is based on whether the BMEU is collocated with a mail processing facility.

Reference Section 10.73 for more information on Critical Entry Times.

2.2 *"Start-the-Clock."* In most cases, the "Start-the-Clock" event for mail deposited at a BMEU is the time of mail arrival, as documented in *PostalOne!*®. Mail arrival time is recorded by postal personnel in *PostalOne!* upon mail arrival at the BMEU and then compared against the national CET. Customer/Supplier Agreements are no longer used to drive the "Start-the-Clock" event for BMEU entered mail.

If a container is auto-finalized and there is a Mailing Arrival Postage Statement Date/Time corresponding to the auto-finalization of the Postage Statement and a Mailing Arrival Postage Statement Date/Time corresponding to the check-in of the mailing by the BMEU clerk, then the latest Mailing Arrival Postage Statement Date/Time determines the Actual Entry Time (AET). If a container is auto-finalized and there is not more than one Mailing Arrival Postage Statement Date/Time, then AET is not set.

A decision tree illustrating the "Start-the-Clock" event of Day-0 for mail deposited at a BMEU is depicted below.

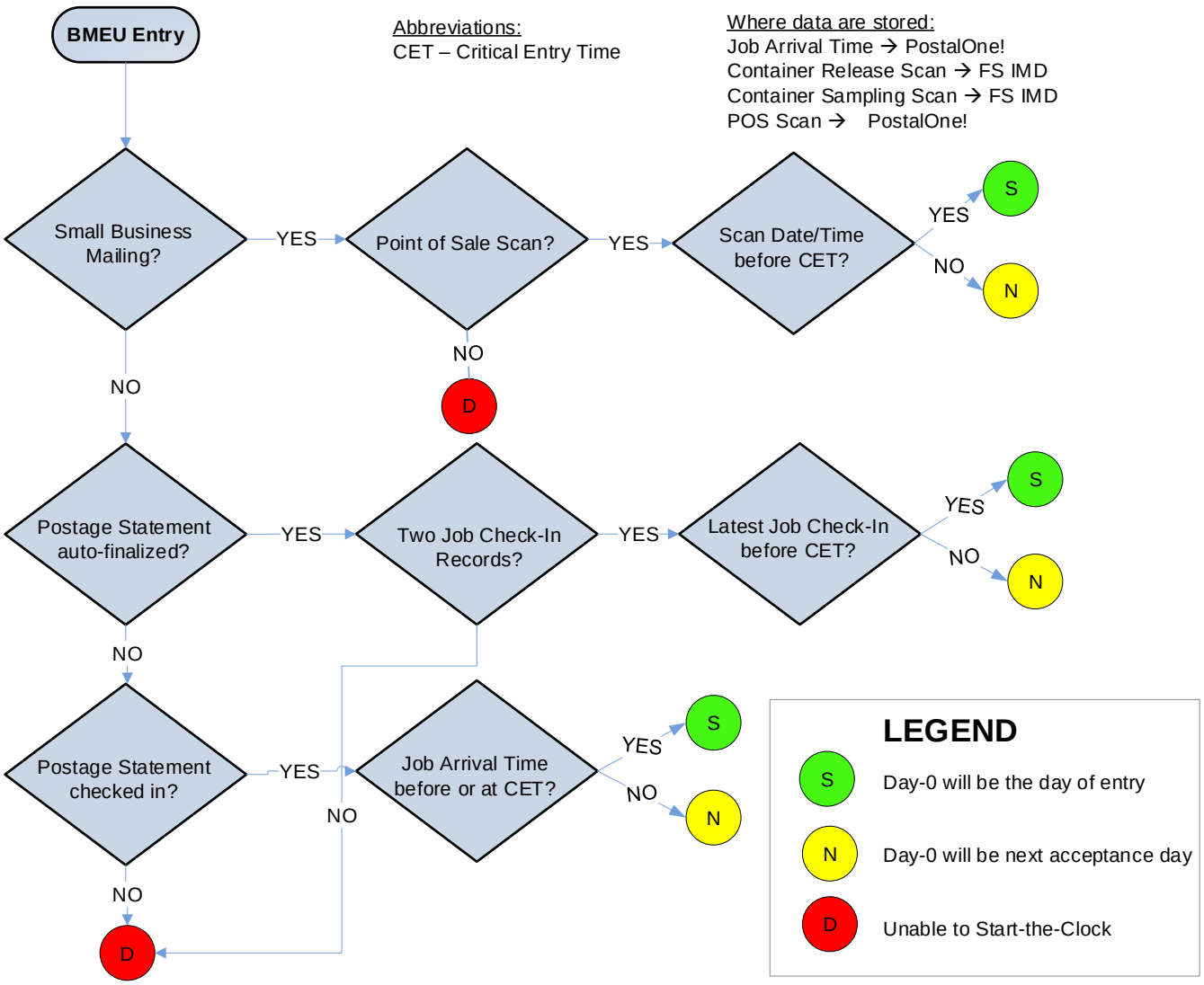


Figure 10-2: "Start-the-Clock" Decision Tree for mail deposited at the BMEU

"Start-the-Clock" Event Example: Mail Entered at a BMEU

- First-Class Mail entered at a BMEU not collocated with a mail processing facility and checked in by a clerk.
- Not Small Business Mailing
- Postage Statement is not autofinalized
- Postage Statement checked in
- CET is 3:00 p.m.

- Job Arrival Time is 4:30 p.m.
- **"Start-the-Clock" event of Day-0 is the next applicable acceptance day**

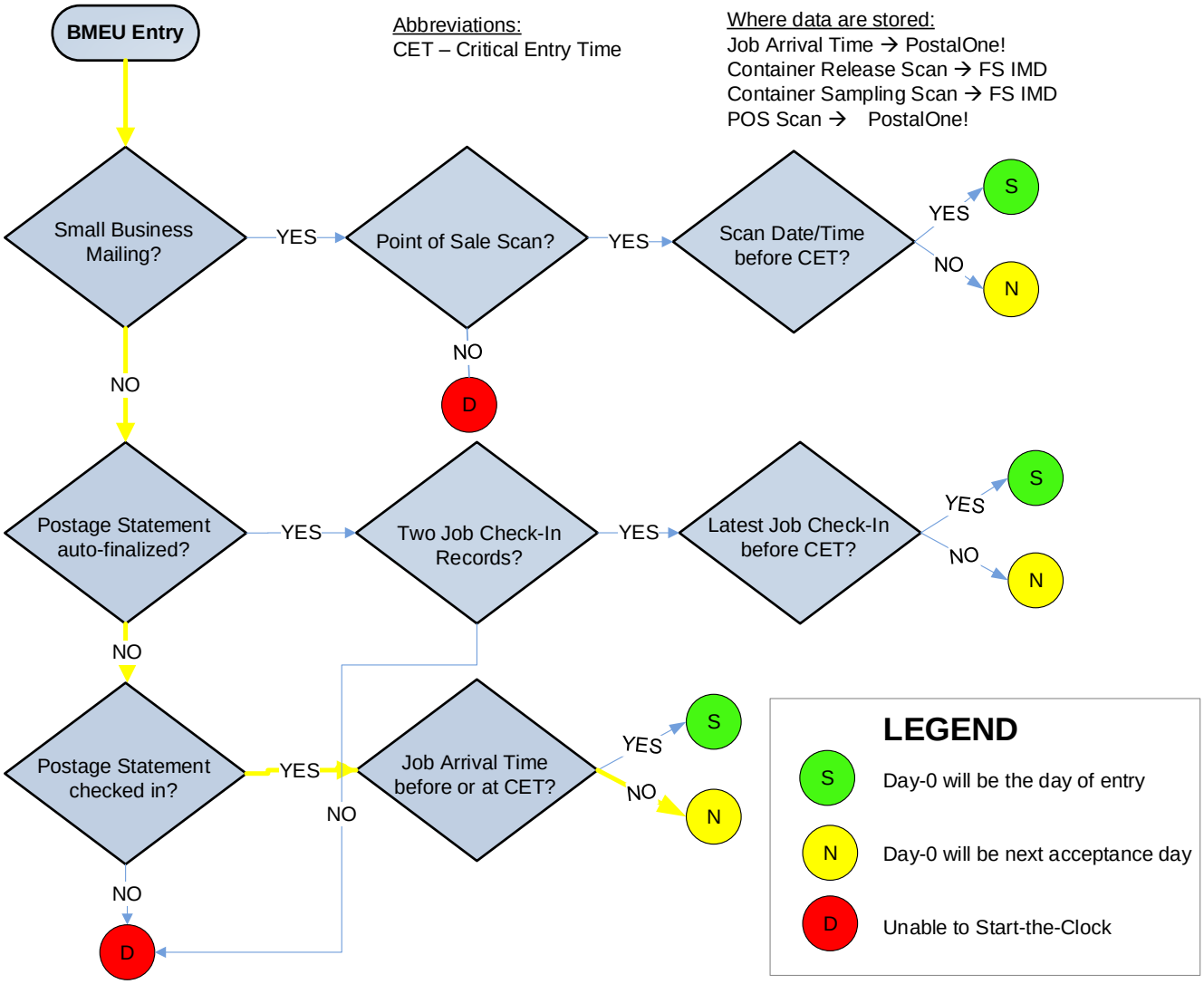


Figure 10-3: Example of "Start-the-Clock" Decision Tree for mail deposited at the BMEU

3. *Plant Load Using (Detached Mail Unit) Postal Transportation*

3.1. *Critical Entry Time.* The CET is determined by mail class. For First-Class Mail, CET varies based on the container preparation, induction method, entry location type, and Customer/Supplier Agreement. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

3.2. *“Start-the-Clock”.* The “Start-the-Clock” event for a plant load mailing using postal transportation is based on the earliest Surface Visibility (SV) Container Unload scan or Intelligent Mail Data Acquisition System (IMDAS) Container Unload Scan at the entry facility compared to the appropriate national CET. The SV Container Unload Scan or IMDAS Container Unload Scan will only be used if the facility of the SV Container Unload Scan is in the same district as the facility provided by the mailer through electronic documentation. If the Container Unload Scan occurs before the CET, the “Start-the-Clock” event of Day-0 is set to the day of the scan. If the Container Unload Scan Time occurs after the CET, the “Start-the-Clock” event of Day-0 will be the following processing day. If no SV Container Unload Scan or IMDAS Container Unload Scan occurs, the Scheduled Ship Date/Time will be compared to the appropriate national CET.

If a mailer cannot identify what is physically in each container or tray, the “Start-the-Clock” event of Day-0 for all mail entered within the mailing period defined in the mailer’s electronic documentation will be based on the latest “Start-the-Clock” event across all physical containers.

A decision tree illustrating the “Start-the-Clock” event of Day-0 for Postal Service transported mail is depicted below.

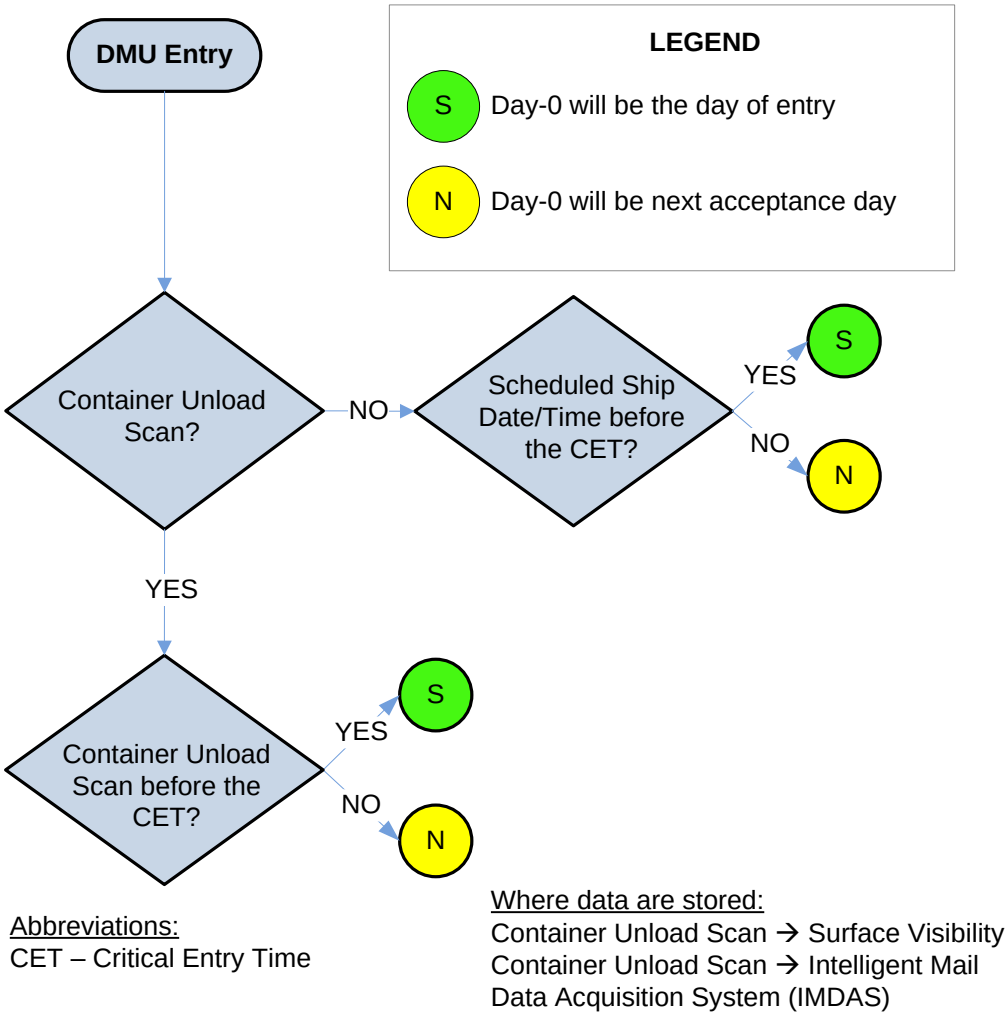


Figure 10-4:"Start-the-Clock" Decision Tree for mail deposited at the DMU

"Start-the-Clock" Event Example: Mail Plant Load Using USPS Transportation

- Working First-Class Mail picked up at a DMU by USPS Transportation
- CET is 8:00 p.m.
- SV Container Unload Scan occurs at the USPS plant at 7:00p.m.
- **"Start-the-Clock" event of Day-0 is the day of acceptance**

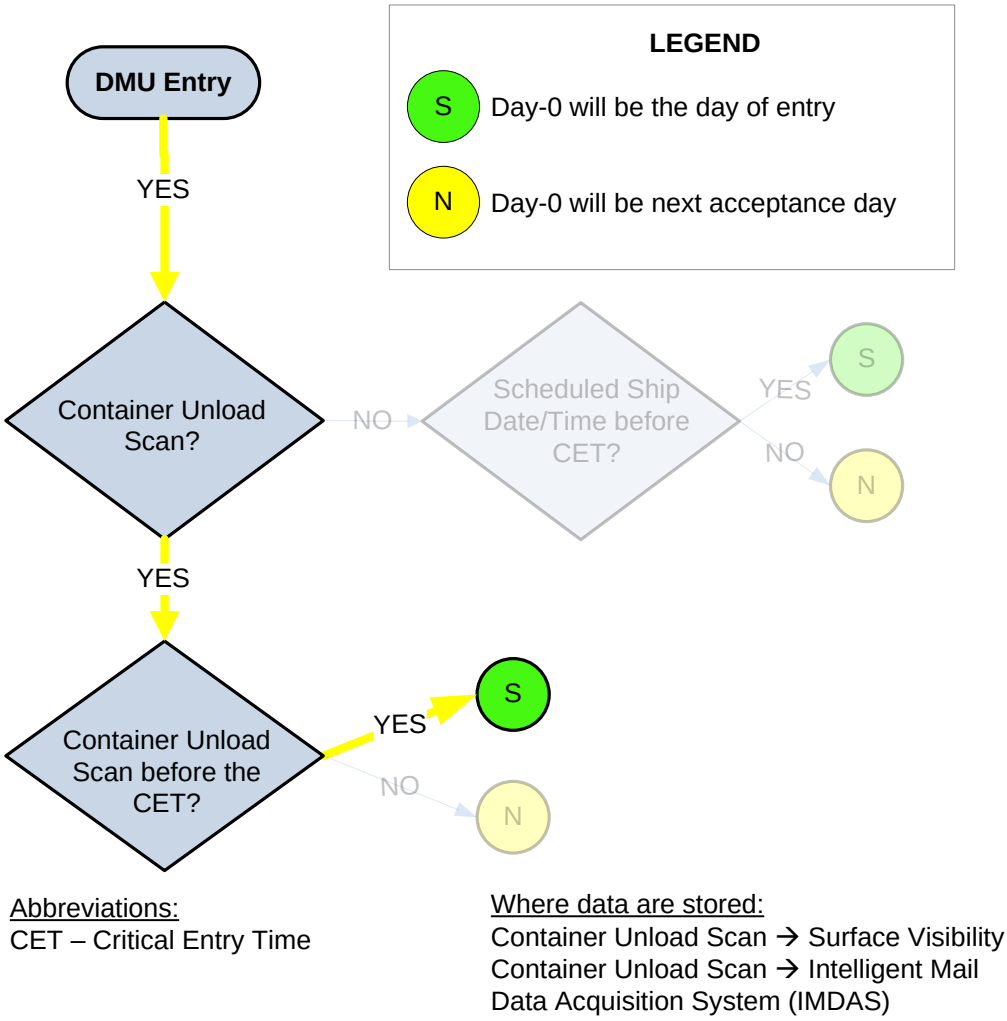


Figure 10-5: Example of "Start-the-Clock" Decision Tree for mail USPS transported

4. *Plant Load (Detached Mail Unit) Using Mailer Transportation*

4.1. *Critical Entry Time.* The CET is determined by mail class. For First-Class Mail, CET varies based on the container preparation, induction method, entry location type and Customer/Supplier Agreement. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

4.2. *"Start-the-Clock".* For plant load using mailer transportation, the "Start-the-Clock" event will be calculated using the FAST Appointment, an SV Container Unload Scan, or an IMDAS Unload Scan compared with the CET. If the FAST Appointment is Early (appointment arrival is earlier than the appointment scheduled date-time), the "Start-the-Clock" event is established by the earlier of the scheduled appointment time or the unload time, which can be a SV scan, IMDAS scan, or FAST Appointment Unload Start.

If the FAST Appointment is On-Time (appointment arrives within 30 minutes after the scheduled appointment date-time), the “Start-the-Clock” event is established by FAST appointment arrival time. For Non-SV sites, the IMDAS unload scan will be used if it is observed 24hrs or more after the appointment arrival.

If the FAST Appointment is Late (appointment arrives 30 or more minutes after the scheduled appointment date-time), the “Start-the-Clock” event is established by the unload time, which can be a SV scan, IMDAS scan, or FAST Appointment Unload Start.

A decision tree illustrating the “Start-the-Clock” event of Day-0 for mail Plant Load Mailer Transported is depicted below.

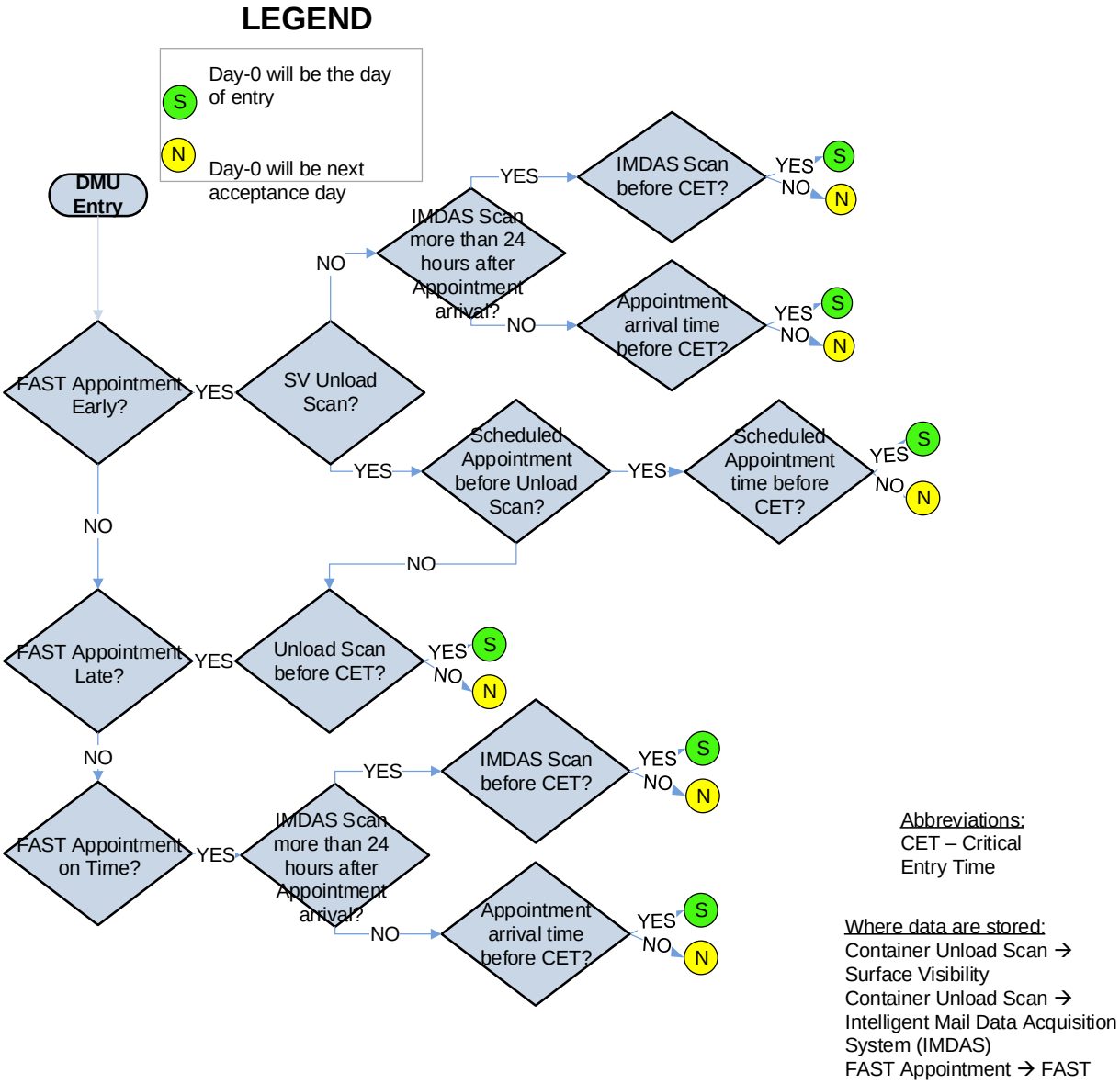


Figure 10-6:"Start-the-Clock" Decision Tree for mailer transported mail

"Start-the-Clock" Event Example: DMU Verified Mailer Transported Origin Mail; mail received after appointment time.

- FAST Appointment scheduled for 12:00 p.m.
- FAST Appointment arrived at 1:00 p.m.
- SV Container Unload scan at 1:30 p.m.
- CET is 3:00 p.m.
- **"Start-the-Clock" event of Day-0 is the day of entry**

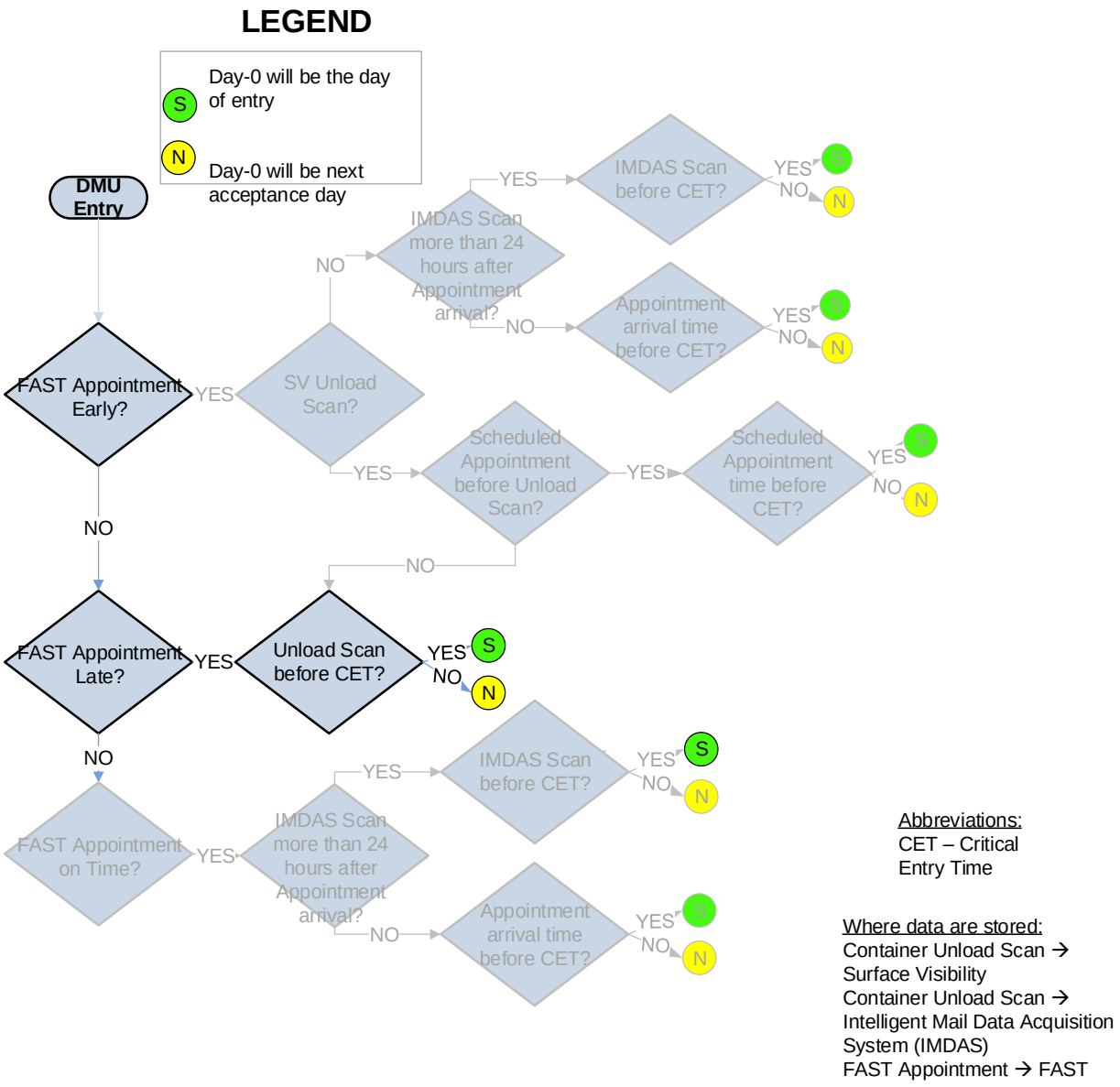


Figure 10-7: Example of "Start-the-Clock" Decision Tree for mail received after appointment time

5. *Destination-entered Drop Shipment at Plants –*

5.1. *Critical Entry Time.* The CET is determined by mail class. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

5.2. *"Start-the-Clock".* When a mailer drops mail at a destination NDC, SCF, or ADC, the "Start-the-Clock" event will be calculated using FAST appointment information and the national CET. If the FAST Appointment is Early (earlier than the appointment scheduled date-time), the "Start-the-Clock" event is established by the earlier of the scheduled appointment time or the unload time, which can be a SV scan, IMDAS scan, or FAST Appointment Unload Start.

If the FAST Appointment is On-Time (appointment arrives within 30 minutes after the scheduled appointment date-time), the "Start-the-Clock" event is established by FAST appointment arrival time. For Non-SV sites, the IMDAS unload scan will be used if it is observed 24hrs or more after the appointment arrival.

If the FAST Appointment is Late (appointment arrives 30 or more minutes after the scheduled appointment date-time), the "Start-the-Clock" event is established by the unload time, which can be a SV scan, IMDAS scan, or FAST Appointment Unload Start.

If an SV Container Reload Scan was performed at the same facility as the SV Container Unload Scan with an associated FAST appointment and the Reload scan time occurred after the SV Container Unload Scan, the SV Container Unload Scan and its associated FAST appointment will not be used to determine the "Start-the-Clock" event of Day-0.

Mailings will be subject to the national CET. For mailings that have a "Start-the-Clock" event prior to the CET, then Day-0 is the day of entry. For mailings that have a "Start-the-Clock" event after the CET, then Day-0 is the next applicable processing day.

When a mailer schedules multi-stop appointments to drop mail at two or more facilities using the same surface transportation vehicle and mail arrives late at a downstream facility because of a delay caused solely by the Postal Service, the following litmus test will be used to determine the "Start-the-Clock" event of Day-0. If the multi-stop appointment schedule reflects consideration of inter-facility drive-times and designated unload times for the category of mail and is on time at the first appointment, the mailer will receive credit for on-time arrival at downstream facilities and the "Start-the-Clock" event of Day-0 will be the day of entry. If the mailer fails to adhere to these considerations in making multi-stop appointments, the "Start-the-Clock" event of Day-0 will be the next applicable acceptance day. Multi-stop appointments must be closed in FAST.

The Postal Service encourages mailers to account for foreseeable traffic and construction delays in scheduling all drop ship appointments. Mailers who schedule the minimum time for transportation and designated unload times run a higher risk of missing appointments versus mailers who allow for traffic and construction delays.

Where available, a postal acceptance facility will use handheld scanning devices or computer terminals located on the dock to record the mailing's driver-reported arrival time. The FAST system uses these arrival times. Otherwise, manual-entered appointment data through FAST will be used to document the mailing's arrival time.

A decision tree illustrating the “Start-the-Clock” event of Day-0 for destinating drop shipment at plants is depicted below.

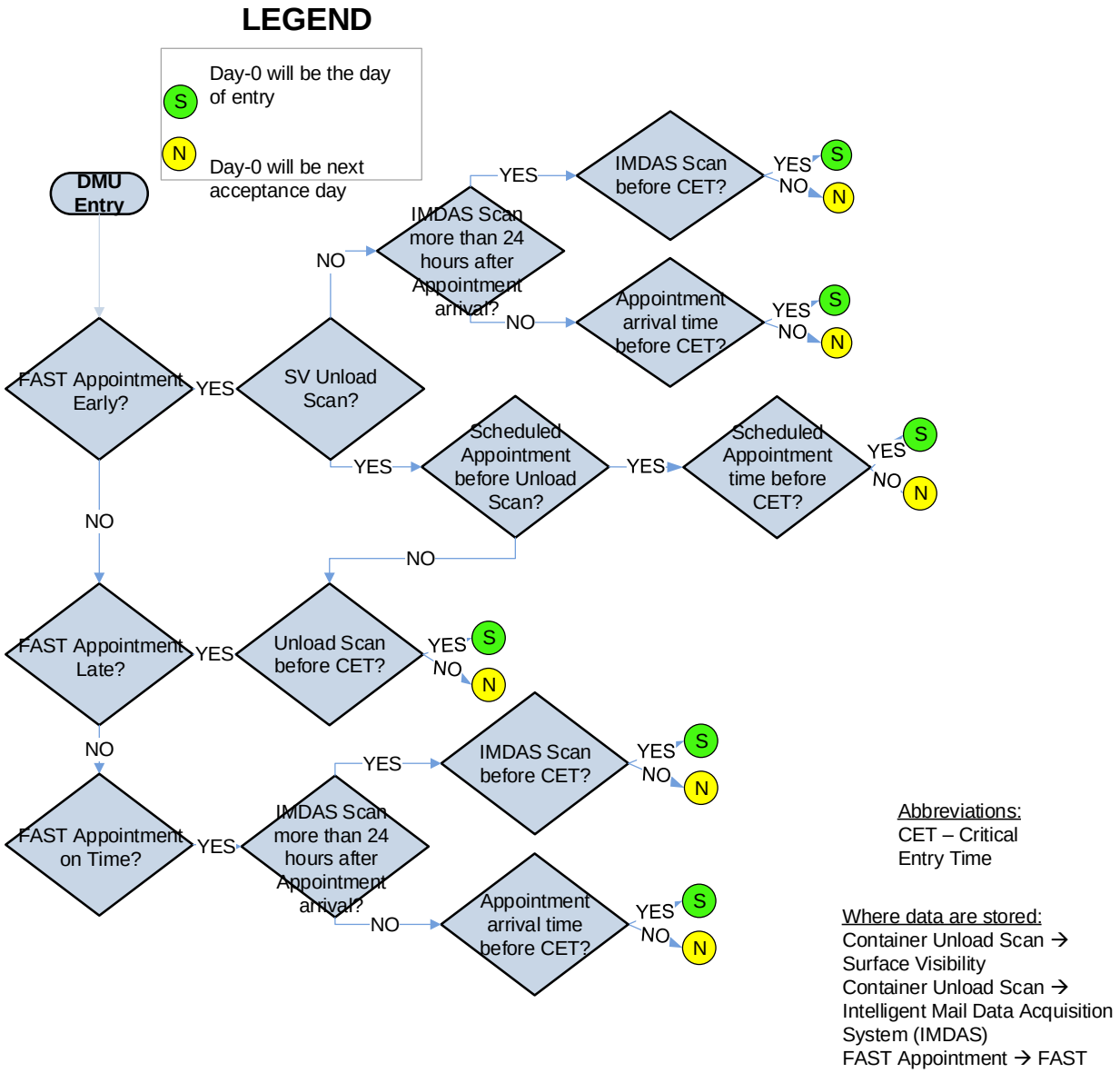


Figure 10-8:“Start-the-Clock” Decision Tree for Destinating Drop Shipment at Plants

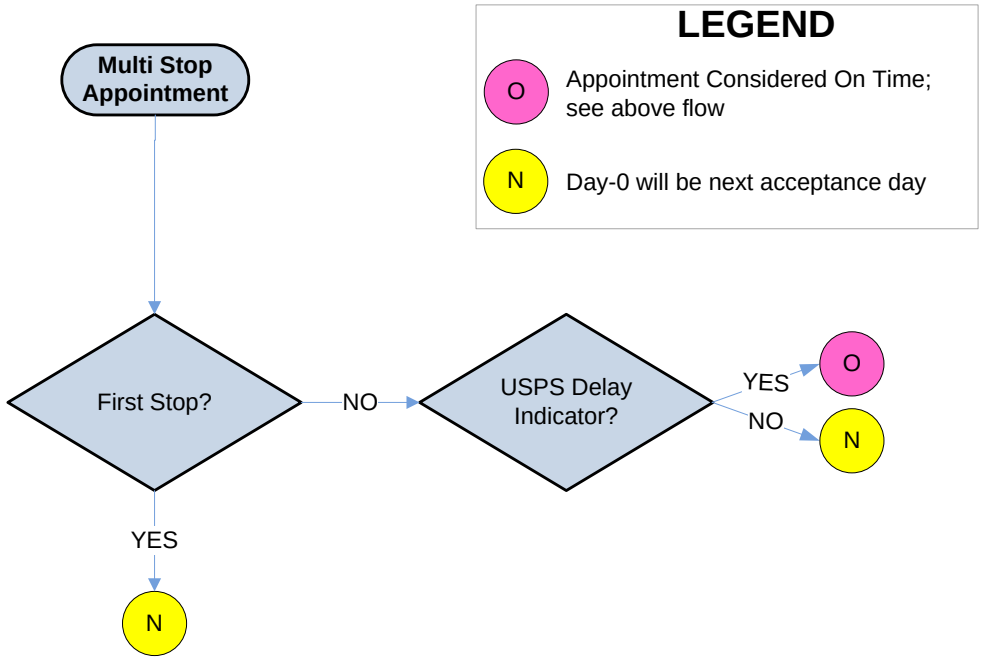


Figure 10-9: "Start-the-Clock" Decision Tree for Multi Stop Destinating Drop Shipment at Plants

9. *"Start-the-Clock" Event Example: Drop Shipment at an SCF; mail received after appointment time.*

- FAST Appointment at 12:00 p.m.
- Arrival 1:00 p.m.
- CET is 4:00 p.m.
- Unload start time is 1:30 p.m.
- **"Start-the-Clock" event of Day-0 is the day of entry**

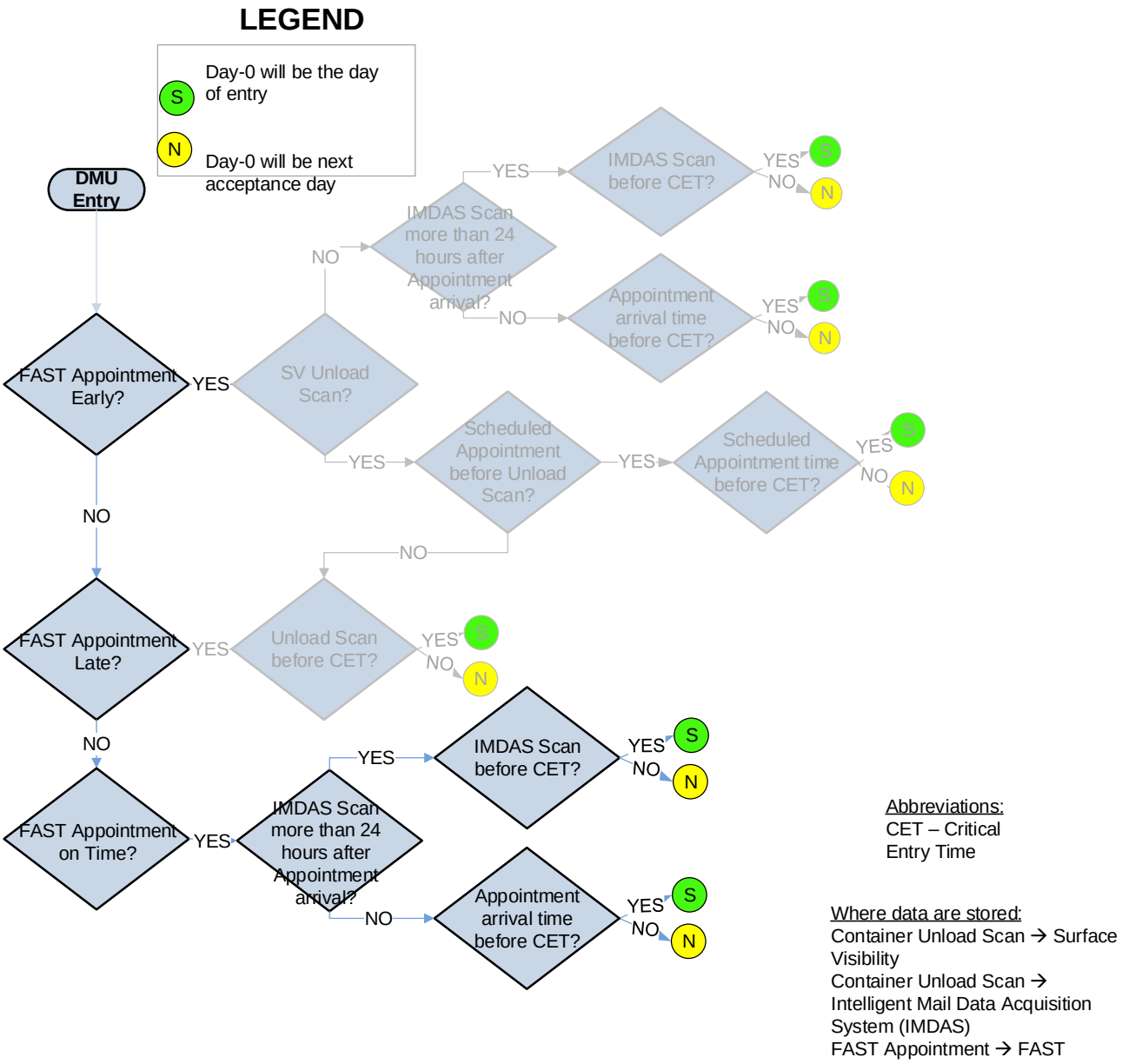


Figure 10-10: Example of "Start-the-Clock" Decision Tree for Destinating Drop Shipment at Plants

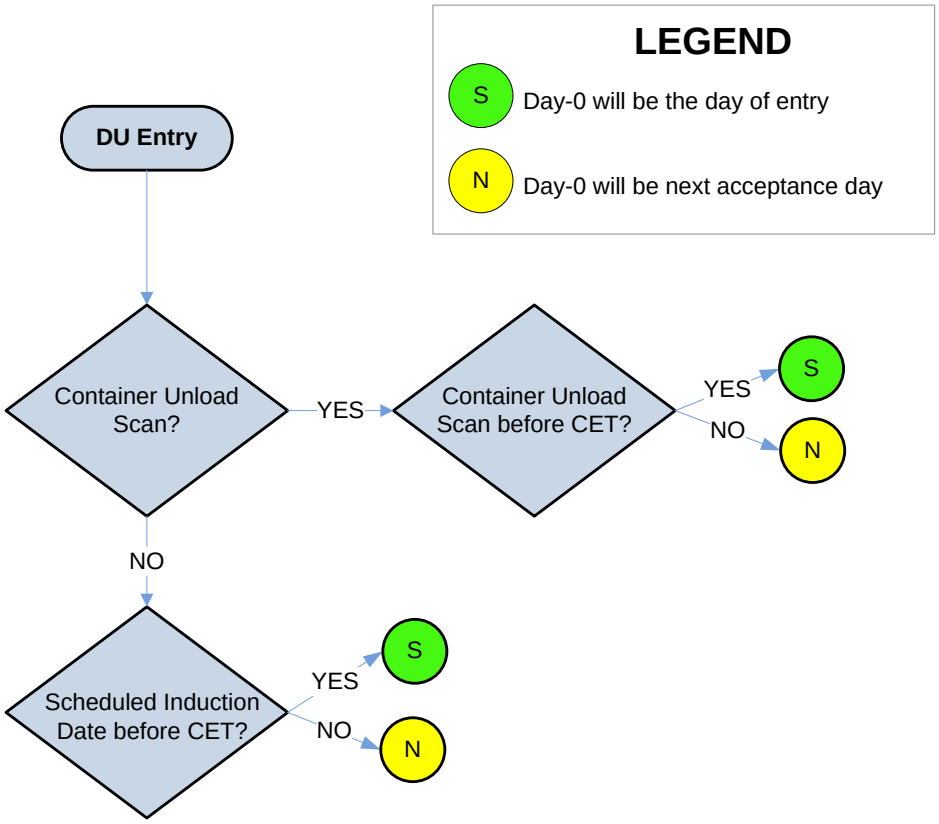
6. *Drop Shipment at the Delivery Unit*

6.1. *Critical Entry Time.* The CET for drop shipment at a Delivery Unit is the nationally standardized CET for that mail class.

6.2. *"Start-the-Clock".* The "Start-the-Clock" event at the delivery unit will be based on the container acceptance scans generated by postal personnel via the Intelligent Mail Data Acquisition System (IMDAS) scanner. If there is no IMDAS scan present, the Scheduled Ship Date/Time in comparison with the operating hours of the delivery unit will be used to determine the "Start-the-Clock" event. When the "Start-the-Clock" event occurs at or before the CET, the "Start-the-Clock" event of Day-0 will be the day of acceptance. If the "Start-the-Clock" event occurs after the CET, the "Start-the-Clock"

event of Day-0 will be the next applicable acceptance day.

A decision tree illustrating the “Start-the-Clock” event of Day-0 for drop shipment at a Delivery Unit is depicted below.



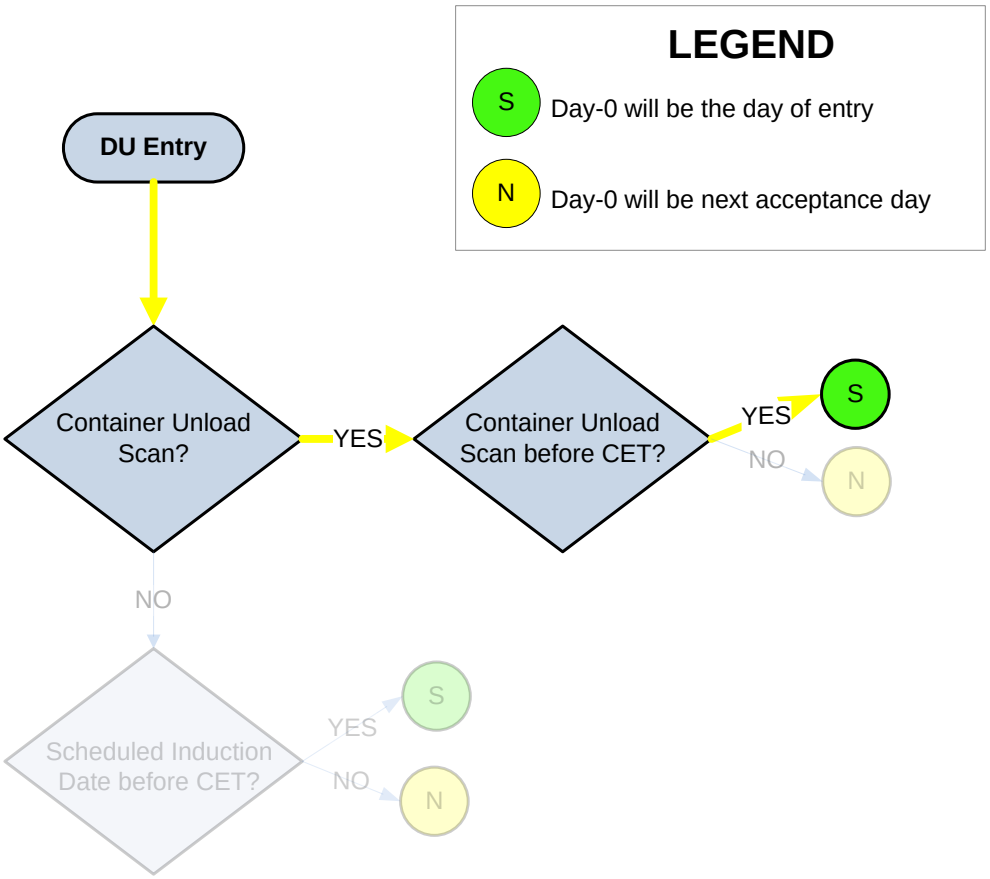
Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Acceptance Scan → Intelligent Mail Data Acquisition System (IMDAS)

Figure 10-11: “Start-the-Clock” Decision Tree for Drop Shipment at a Delivery Unit

“Start-the-Clock” Event Example: Drop Shipment at a Delivery Unit; mail received after appointment time.

- Latest time of national CET is 4:00 p.m.
- IMDAS Container Acceptance Scan is 3:30 p.m.
- **“Start-the-Clock” event of Day-0 is the day of entry**



Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Acceptance Scan → Intelligent Mail Data Acquisition System (IMDAS)

Figure 10-12: Example of "Start-the-Clock" Decision Tree for Drop Shipment at a Delivery Unit

10.3 **"Stop-the-Clock"**

The "Stop-the-Clock" event for service measurement of single-piece mail is established using the delivery scan event of randomly sampled mailpieces.

The "Stop-the-Clock" event for service measurement of commercial mail is established using the last processing scan (Stop Scan) from Mail Processing Equipment (MPE) for individual pieces or handheld scans for pieces within a bundle, and delivery event date captured by the carrier. The final processing scans from MPE are used to establish the Anticipated Delivery Date for mail with Full Service IMbs. If the Stop Scan time is earlier than or equal to the standard Clearance Time (CT) of the facility type and operation code type, the Anticipated Delivery Date is the Stop Scan Date. If the Stop Scan time is later than the standard Clearance Time for that facility type and operation code type, the Anticipated Delivery Date is the day after the Stop Scan date, excluding Sundays and holidays. The "Stop-the-Clock" event scans are combined with scans collected by carriers to determine the transit-time from final processing to actual delivery, known as the last mile delivery factor.

Last Mile Delivery Factor:

The internal measurement system calculates last mile delivery factors and applies those factors to calculate service measurement for categories of mail. The last mile delivery factor is determined for each district on a daily basis. Because the following mail segments are processed differently by postal operations, the delivery factor will be distinct for the following mail segments:

- Mail class;
- Mail shape; and
- Mail which, relative to service standard, had 2 or more days left after processing, 1 day left after processing, were exactly on-time after processing, or which were already late.

10.4 *Single-Piece Measurement Exclusions*

For single-piece domestic/international products measured using the internal measurement system, Postal Service validates the accuracy and integrity of the data included in service performance measurement calculations. Quality is reviewed across the following areas on an ongoing basis.

- Piece Level Exclusions; and
- Sampling Scan Level.

10.4.1 Piece Level

Mail preparation issues are identified using operational data points collected during the mail acceptance, induction, or processing. Below is a list of exclusion reasons caused by mail preparation issues.

Individual mailpieces may be excluded from service measurement due to the following reasons:

- *Address Change:* Mail piece redirected due to Change of Address (COA) or Undeliverable as Addressed (UAA) as indicated by ACS and/or PARS operation when the mailpiece is processed.
- *Invalid Delivery Point:* Delivery point indicated on the mailpiece IMb is invalid.
- *High Delivery Days:* The time between a “Start-the-Clock” event and a “Stop-the-Clock” event is more than 45 days.
- *Barcodes not unique across multiple scan events:* When the customer-applied IMb and USPS-applied ID tag barcodes are not captured end-to-end and are observed in multiple combinations from processing scans.
- *Excessive processing scans:* When a piece has greater than 40 scans observed based on unique barcodes captured.
- *Invalid 5-digit Scan ZIP Code:* 5-digit scan ZIP Code from the first or last piece scan is not valid according to the AMS Area/District Information.
- *Service Standard Cannot be Determined:* When an effective service standard does not exist for the origin/destination pair.
- *Invalid Start-the-Clock Date:* When the “Start-the-Clock event date is determined to be

more than 120 days in the past.

- *First scan on non-processing day:* When the first scan of a mail piece occurs after the CET of a non-processing day (Sunday or Federal Holiday).
- *First scan on non-FCM sort plan:* When the first scan of a mail piece occurs on a sort plan that indicates it is not First-Class Mail (USPS Marketing Mail, Periodical, Priority, International, Military, Contingency, or Express Mail).
- *Invalid Operation Code:* When the first or last operation event code is invalid (750, 999, blank, etc.).
- *Non First-Class Mail Retail Acceptance Data:* When a mail piece is accepted at a retail unit and indicates it is not a First-Class Mail product.
- Parcel Sorter Exclusion: When a mail piece is processed on Parcel sorting equipment.

10.4.2 Sampling Scan Level

Sampling scans made in either collection or delivery may be excluded from measurement due to the following issues:

- Duplicated barcodes which make it impossible to determine which mailpiece the scan should be associated with.
- Early carrier scanning indicative of delivery scans occurring too close in time to the last automation scan.
- Inaccurate address exclusions indicate that the pieces scanned were not for the sampled delivery point

10.5 Presort Mail Measurement Exclusions

For measurement systems using data collected by the Postal Service, business rules are used to identify and exclude incorrect or suspicious data.

10.5.1 eDoc Preparation Exclusions

Electronic documentation (eDoc) preparation issues are identified by evaluating eDoc against USPS operational data and Full-Service business rules. Below is a list of exclusion reasons caused by eDoc preparation issues:

- *Inaccurate Scheduled Ship Date:* All mailpieces associated with a Scheduled Ship Date two or more days prior to Postage Statement Finalization Date provided from PostalOne! for DMU verified USPS transported induction method will be excluded.
- *Invalid Entry Facility:* The mailer provides an entry facility that cannot be mapped to a valid USPS entry facility.
- *Invalid Entry Facility for Discount:* All mailpieces associated with a container inducted at an invalid entry facility for that discount type will be excluded based on the FAST Mail Direction File v2.
- *Orphan Handling Units:* All mailpieces associated with orphan handling units with induction methods other than BMEU entry will be excluded.

- *Non-Unique Container Barcode:* All mailpieces associated to a physical container will be excluded if the container does not have a unique IMcb.
- *Non-Unique Tray Barcode:* All mailpieces associated to a handling unit will be excluded if the tray does not have a unique IMtb.
- *Non-Unique Piece Barcode:* individual mailpieces will be excluded if they have duplicate IMb codes.
- *Handling Unit with Default Tray Barcode:* All mailpieces associated with a handling unit will be excluded if the handling unit has a default IMtb.
- *Destination Entered First-Class Mail:* All mailpieces will be excluded when identified as destination entered First-Class Mail.
- *3-Digit Mail Entered at 5-Digit FSS Site:* All mailpieces will be excluded when the container make-up is 3-digit FSS mail entered at a site that accepts only 5-digit FSS mail.
- *Flats Overflow:* All mailpieces will be excluded when eDoc specifies through the Supplemental Container ID field an overflow of flats from one Logical or Physical Handling Unit to another Handling Unit that is not in the same Logical Container or Physical Container

10.5.2 Mail Preparation Exclusions

Mail preparation issues are identified using operational data points collected during mail acceptance, induction, or processing. Below is a list of exclusions reasons caused by mail preparation issues:

- *Mailing Level:* When a mailing does not pass a Manual or MERLIN based mail preparation check, all pieces from the mailing will be excluded from service measurement. Examples of Manual or MERLIN based checks include bundle preparation, IMb Quality, Mail Piece Count, Presort, Short Paid Postage, Tap Test, Weight, Digit String, and Postage Adjustment.
- *Container Level:* When a container does not pass verification, all mailpieces within the containers will be excluded from service measurement. Examples of verification checks include:
    - *Appointment Irregularity:* Mailing irregularities may be documented in the FAST Appointment system at the point of mail induction. Irregularities include mailing contents being different than that indicated on the 8125 form and mail being damaged.
    - *Container Irregularity:* Mailing irregularities such as broken pallet may also be captured by the Surface Visibility (SV) at the point of mail induction.
    - *Long Haul Transportation*: DMU verified USPS transported container's entry point ZIP Code is in a different Postal district than the ZIP Code of the container's verification facility/DMU
    - *Non-matching Appointments on Container Scans*: More than one FAST appointment captured in SV Unload scans for the same container IMcb
    - *Inducted on incorrect Appointment:* The FAST appointment captured in the SV Unload scan does not match the scheduled appointment from the container manifest

- *Piece Level:* Individual mailpieces may be excluded from service measurement due to the following reasons:
    - *Address Change:* Mail piece redirected due to Change of Address (COA) or Undeliverable as Addressed (UAA) as indicated by ACS and/or PARS operation when mailpiece is processed.

- *Invalid Delivery Point:* Delivery point indicated on the mailpiece IMb is invalid.

10.5.3 Lack of Visibility Data

Mail containers or pieces can be excluded from service performance measurement due to lack of or inconsistent visibility data preventing accurate measurement.

- Container-Level Exclusions
  - *Unable to Start-the-Clock:* Reasons include a lack of container scan or valid FAST appointment.
  - *Inconsistent Appointment Information:* FAST Appointment Unload Start Date/Time is before the Appointment Arrival Date/Time.
- Piece-Level Exclusions
  - *Unable to Stop-the-Clock:* Lack of mailpiece automation scans.
  - *High Delivery Days:* The time between a “Start-the-Clock”" and “Stop-the-Clock” event is 30 days or more for Presort First-Class Mail and 45 days or more for USPS Marketing Mail, Periodicals, and Bound Printed Matter (Flats) Mail.
  - *Invalid 5-digit ZIP Code:* ZIP Code does not align with an area or district.
  - *Stop-the-Clock Event Scan before Actual Entry Date/Time:* A “Stop-the-Clock” event Scan Date/Time is before the Actual Entry Date/Time of its associated container.

10.6 Geographical Exclusions

In addition to the areas noted above, single-piece and commercial mail must originate and destinate in valid 3-digit ZIP Code areas to be included in measurement. All active 3-Digit ZIP Codes are included in Service Measurement, except for mail originating or destined for the ZIP Codes noted below.

- 090-098, 340, and 962-966 are all APO/FPO (military) ZIP Codes and fall outside of the capability of this measurement system. The mail is processed in a manner that will not produce a final automation scan that can serve as a reasonable proxy for delivery.
- Mail destinating to 202-205, which are the Federal Agency ZIP Code ranges in Washington D.C. All of this mail continues to be processed through a complex process of treatment and surveillance prior to delivery. There is no reliable means to measure actual service performance.
- 005, 055, 192, 375, 399, 459, 649, 733, 842, and 938 are unique 3-Digit ZIP Codes for IRS Processing Centers. Due to the unique processing and flow of this mail, there is no means to provide service measurement.
- 509, 555, 569, 771, 821, 872, 876, 885, 889, 901, and 942 are unique 3-digit ZIP Codes for either large businesses or government agencies. Due to the unique processing and flow of this mail, there is no means to provide service measurement. 569 is a unique 3-digit ZIP Code that is used only for a competitive product.

10.7 *National Critical Entry Times (CET)*

Mail Class			FCM Overnight
Origin	BMEU	Non-Co-Located	0000
	BMEU Co-Located, Mailer and USPS Transported	L012 Scheme	1200
		All other make-up	0800

Mail Class			FCM 2 Day / 3-5 Day	USPS MKT Mail	Periodicals	BPM
Origin	BMEU	Non-Co-Located	1500	1500	Listed Below	1500
		Co-Located	1800	1500	Listed Below	1500
	Mailer and USPS Transported	No Separation	1900			
		Working	2000			
		Presort	2100			
		Presort Assigned	2200			
		Hub - STC	2400			
		Hub - THS	0200P			
Destination	Drop-Ship	NDC, ADC, SCF, DDU	N/A	1600	Listed Below	1600
		Tran HUB		1600	1600	N/A
Periodicals (Origin and Destination)	FSS	No Bundle Sort Required 5-Digit/Scheme Container	N/A	N/A	1100	N/A
		Bundle Sort Required 3-Digit and Up Container	N/A		0800	
	Non-FSS	No Bundle Sort Required 5-Digit/Scheme Container	N/A	N/A	1400	N/A
		No Bundle Sort Required Pure Carrier Route Pallet	N/A		1700	
		Bundle Sort Required 3-Digit and Up Container	N/A		1100	

Table 10-1: National Critical Entry Times

10.8 *Special Services*

The business rules for service performance measurement for Special Services are intended to maintain a clearly defined structure for and ensure the reliability of the measurement system.

1. *Delivery Information Services.*

   1.1. Delivery information from the following Special Services riding on market-dominant products will be included in service measurement: USPS Tracking, Signature Confirmation, Certified Mail, electronic Return Receipt, Collect On Delivery, and Registered Mail.

   1.2. *"Start-the-Clock" and "Stop-the-Clock".* The "Start-the-Clock" event is the time-stamp associated with the delivery event scan. The "Stop-the-Clock" event is the posting of the delivery information for customers via the customer-accessible website. Delivery information services included in service measurement must have both a recorded

"Start-the-Clock" and "Stop-the-Clock" event.

2. *Automated Address Correction Service*

   2.1. *"Start-the-Clock" and "Stop-the-Clock" for Automated Address Correction.* The date and time scans are transmitted to the ACS system in the "Start-the-Clock" event. The date and time information is forwarded to subscribers in the "Stop-the-Clock" event. ACS scan information included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock" event.

   2.2. Customers that choose to receive data outside of the service standard will not be included in service measurement.

3. *Post Office Box Service*

   3.1 Post Office Box service is internally measured using scanning technology to compare the actual availability of the day's mail delivered to a P.O. Box section to the posted "uptime." If there is no daily scan from an office, the P.O. Box uptime for that office on that day will be considered late for service measurement.

   3.2. Contract postal units will not be included in service measurement.

   3.3. Sundays, postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

4. *Insurance Claims Processing*

   4.1. *"Start-the-Clock" and "Stop-the-Clock".* The date that all information is available for claims processing resolution is the "Start-the-Clock" event. The date on which either the system or the adjudicator pays, denies, or closes the claim and sends a response to the customer is the "Stop-the-Clock" event. Insurance claims included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock" event.

   4.2. Designated postal holidays will not be counted in measuring service standard compliance.

5. *Postal Money Order Inquiry Processing.*

   5.1. *"Start-the-Clock" and "Stop-the-Clock".* The purchase of the inquiry service is the "Start-the-Clock" event. The response to the customer in the Money Order Inquiry System (MOIS) is the "Stop-the-Clock" event. Money Order Inquiries included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock" event.

   5.2. Money order Inquiries with a "Start-the-Clock" event date prior to the Money Order issue date will not be included in service measurement.

   5.3. Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

   5.4. Only fee-based Money Order Inquiries will be included in service measurement.

6. *Address List Service.*

   6.1. *"Start-the-Clock" and "Stop-the-Clock".* The "Start-the-Clock" event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The "Stop-the-Clock" event is the transmission of the corrected address information from the district AMS office to the requestor. Address List Service requests included in service measurement must have both a

recorded "Start-the-Clock" and "Stop-the-Clock" event.

6.2. Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

6.3. Requests received between November 16 and January 1 will not be included in service measurement.[17]

10.9 *Weighting and Aggregation*

Service performance measurement results for market dominant products in some cases are based on a subset of live pieces or a sample of test mailpieces for each product due to constraints which make it infeasible to assess the performance of a full census of the data. Weighting and aggregation are applied in service performance calculations to achieve results that are representative of the full population's performance.

10.9.1 First-Class Mail Single-Piece

First-Class Mail Single-Piece letters, cards and flats performance is measured by the internal measurement system which measures all single-piece mail.

Scores use weights developed from Postal Service Revenue, Piece, and Weights (RPW) reports to represent the proportion of single-piece letters/cards and flats for each quarter of the total annual volume.

10.9.2 Single-Piece First-Class Mail International–Current State

Service performance for the domestic transit of both inbound and outbound Single-Piece First-Class Mail International Letters & Flats is measured through the internal SPM system. Quarterly origin and destination performance estimates are calculated using a standard scoring calculation, which is the sum of all the weights multiplied by the base score combinations for a given origin or destination, divided by the sum of the weights for that origin or destination. The inbound-outbound composite performance estimate is calculated by taking the weighted average of the inbound and outbound estimates.

Year-to-date performance estimates are calculated as a weighted average of quarterly results. The weights applied to each quarter's results are the sum of the quarterly volume weights multiplied by the number of delivery days in the quarter.

Weights are calculated using estimates of inbound and outbound mail by shape provided quarterly by USPS Statistical Programs. These weights represent the volume and proportion of mail which each shape represented of the total inbound First-Class Mail the year before.

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[17] The exclusion of the Nov 16-Jan 1 time frame for Address List Services performance measurement conforms to the service standard for this product published at 39 C.F.R. § 122.2(b). *See* 72 Fed. Reg. 72231 (December 19, 2007). As explained at 72 Fed. Reg. 58963 (October 17, 2007), the surge of holiday mail volume places an extraordinary demand on Postal Service personnel ordinarily responsible for fulfilling Address List Services requests, making it very difficult for them to fulfill such requests during this time frame.

10.9.3 Presort First-Class Mail

Aggregation for First-Class Mail Presort letters is accomplished by calculating origin district-destination district scores at the service standard and final processing operation type levels. The delivery profiles are applied to these estimates based on the destination district and final processing operation type to create an end-to-end estimate of delivery times for the group. These estimates are then aggregated across the origins to form destinating district-service standard scores, and across the destinations to form originating district-service standard scores. This aggregation uses the number of measured pieces as the weights. Area and national scores are calculated by aggregating district level results, weighted by the volumes. Origin/destination scores are formed as weighted averages of origin and destination scores, with the weights the measured pieces.

Year-to-Date scores use weights developed from Postal Service Revenue, Piece, and Weights (RPW) reports. The quarterly weights represent the proportion of presort letters/cards for each quarter of the total annual volume. Weights are used so that differences in full-service Intelligent Mail adoption rates and measured pieces during the year do not impact the service measurement.

Presort letters/cards are combined with flats to form overall First-Class Mail Presort service performance scores. The methodology currently used relies on proxy scores from single-piece measurement to measure flats performance because there is insufficient volume and geographic coverage of First-Class Mail Presort Flats. The combined First-Class Mail Presort scores are calculated using a fixed ratio of letters to flats. The ratio is established based on national level data from RPW reports and the national ratios are applied to all district, area, and national scores for each service standards.

10.9.4 USPS Marketing Mail

Aggregation for USPS Marketing Mail products is accomplished in a similar manner as for presorted First-Class Mail, except that the basic destination entry type (DDU, DSCF, DNDC, End-to-End) and mail shape are also included in the first-level aggregation. Because DDU-entry Saturation flats have a different measurement methodology from other USPS Marketing Mail letters and flats, and due to imbalances in measured volume and population volumes by entry type and shape, weights are applied to the scores at the entry type and shape level. National level weights are created using RPW data for the quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of USPS Marketing Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.9.5 Periodicals Mail

Aggregation for Periodicals Mail is very similar to that for First-Class Mail Presort letters and cards, except that the destination entry type (Destination Entry and End-to-End) is included in the first level aggregation. Weights for Destination Entry and End-to-End proportions are used to counter imbalances in measured pieces versus the overall population. National level weights are created based on RPW data for each quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of Periodicals Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.9.6 Package Services

Aggregation for Bound Printed Matter Flats is the same as for Periodical mail. For Package Services parcels, measured using pieces with USPS Tracking information, the aggregation is accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used.

10.9.7 Special Services

Aggregation for all Special Services scores is accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used at the product level. However, to estimate the Other Ancillary Services category and the overall Ancillary Services category, weights representing the revenue for the products included in measurement are applied to develop the overall measure of performance. Revenue is used rather than pieces because some Special Services are not based on volumes.

10.10 Modern Service Standards for Market Dominant Products

The following tables are provided as a reference for the modern service standards.

Mail Class	End-to-End Flow Range (days)*
First-Class Mail	1-5
Periodicals	1-9
USPS Marketing Mail	3-10
Package Services	2-8

Table 10-2: Domestic Origin Entry mail

* See 77 FR 31190 (May 25, 2012) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.

	End-to-End Flow Range (days)*			
Mail Class	DDU (days)	SCF (days)	ADC (days)	NDC (days)
Periodicals	1	1	1-2	1-2**
USPS Marketing Mail	2	3		5
Package Services	1	2		3

Table 10-3: Domestic Destination Entry Mail

* See 77 Fed. Reg. 31190 (May 25, 2012) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.
** Only applies to Periodicals receiving the NDC Container rate

Service	Standard
Delivery Information Services * USPS Tracking * Signature Confirmation * Certified Mail * Registered Mail[18] * Collect on Delivery * Electronic Return Receipt	Availability of delivery information within 24 hours
IMb Tracing	Availability of scan information within 24 hours
Address Correction Service (automated)	Availability of address information within 24 hours
P.O. Box Service	Mail delivered by posted P.O. Box uptime
Insurance Claims Processing	Claims processing within 30 calendar days
Money Order Inquiry	Customer response within 15 business days
Address List Services	Information within 15 business days

Table 10-4: Special Services

10.11 Postal Regulatory Commission Reports

The quarterly reports submitted to the Commission by the Postal Service at available at: https://www.prc.gov/dockets/quarterly-performance.

10.12 Special Studies

Every two years, the Postal Service conducts a special study to compare service performance of mail to the rural areas of the Alaska, Honolulu, and Caribbean districts with the gateway areas within the districts. The results from the study are provided to the Commission as part of the Annual Compliance Report.

[18] Registered Mail includes domestic mail and inbound international mail.

10.13 Mail Classification Schedule (MCS) Product List

The following table cross references the product by document section, for the current measurement systems.

PRODUCT/SERVICE NAME	CURRENT MEASUREMENT	FUTURE STATE
FIRST-CLASS MAIL		
Single-Piece Letters/Postcards	4.2	NA
Presorted Letters/Postcards	4.3	NA
Flats	4.2 for single-piece and 4.3 for presorted	NA
Parcels	All domestic First-Class Mail Parcels are classified as competitive products. The Single-Piece First-Class Mail Parcels product was classified as competitive in September.	NA
Outbound Single Piece FCM International	5.2	NA
Inbound Letter Post	5.2	NA
USPS MARKETING MAIL (COMMERCIAL AND NONPROFIT)		
High Density and Saturation Letters	6.2.1	NA
High Density and Saturation Flats/Parcels	6.2.2 for high density flats, 6.2.3 for saturation flats, and 6.2.4 for high density and saturation parcels	NA
Carrier Route	6.2.1 for letters, 6.2.2 for flats, and for parcels	NA
Letters	6.2.1	NA
Flats	6.2.2	NA
Parcels	6.2.4	NA
Every Door Direct Mail – Retail	6.2.5	NA
PERIODICALS		
In-County Periodicals	All Periodicals used as proxy. See 7.2.1.	NA
Outside County Periodicals	7.2.1.	NA
PACKAGE SERVICES		
Alaska Bypass Service	NR	NA
Bound Printed Matter Flats	8.1	NA
Bound Printed Matter Parcels	8.2 for retail and 8.3 for presort	NA
Media Mail/Library Mail	8.2 for retail and 8.3 for presort	NA
SPECIAL SERVICES: ANCILLARY SERVICES		
Address Correction Service	9.3	NA
Applications and Mailing Permits	NR	NA

PRODUCT/SERVICE NAME	CURRENT MEASUREMENT	FUTURE STATE
Business Reply Mail	NR	NA
Bulk Parcel Return Service	NR	NA
Certified Mail	9.2	NA
Certificate of Mailing	NR	NA
Collect on Delivery	9.2	NA
USPS Tracking	9.2	NA
Insurance	9.5	NA
Merchandise Return Service	NR	NA
Parcel Airlift (PAL)	NR	NA
Registered Mail	9.2	NA
Return Receipt	9.2 for electronic and 9.9 green card	NA
Return Receipt for Merchandise	NR	NA
Restricted Delivery	NR	NA
Shipper-Paid Forwarding	NR	NA
Signature Confirmation	9.2	NA
Special Handling	NR	NA
Stamped Envelopes	NR	NA
Stamped Cards	NR	NA
Premium Stamped Stationery	NR	NA
Premium Stamped Cards	NR	NA
SPECIAL SERVICES: INTERNATIONAL ANCILLARY SERVICES		
International Certificate of Mailing	NR	NA
International Registered Mail	Outbound International Registered Mail: semi-permanent exception granted. Inbound International Registered Mail: 9.2.	NA
International Return Receipt	NR	NA
International Restricted Delivery	NR	NA
International Insurance	NR	NA
Customs Clearance and Delivery Fee	NR	NA
SPECIAL SERVICES: OTHER		
Address Management Services	9.7	NA
Caller Service	NR	NA
Credit Card Authentication	NR	NA
International Reply Coupon Service	NR	NA
International Business Reply Mail Service	NR	NA
Money Orders	9.6	NA
Post Office Box Service	9.4	NA
Customized Postage	NR	NA
Stamp Fulfillment Services	9.8	NA

Table 10-5: MCS Product List

NR indicates that the information is not required due to semi-permanent exception.

TRADEMARKS

The following are among the many trademarks owned by the United States Postal Service: Certified Mail®, Click-N-Ship®, CONFIRM®, DMM®, EDDM Retail®, Every Door Direct Mail-Retail®, Express Mail®, FAST®, FAST*forward*®, First-Class Mail®, First-Class Package International Service®, First-Class Mail International®, Intelligent Mail®, Media Mail®, MERLIN®, P.O. Box™, Parcel Post®, Parcel Select®, PC Postage®, PLANET®, PLANET Code®, Post Office™, Post Office Box™, PO Box™, *PostalOne!*®, Postal Service™, Priority Mail®, Registered Mail™, Signature Confirmation™, USPS Marketing Mail™, United States Postal Service®, U.S. Mail™, U.S. Postal Service®, USPS®, *usps.com*®, USPS Tracking®, ZIP+4®, and ZIP Code™. This is not a comprehensive list of all Postal Service trademarks.

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