

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF DOUGLAS F. CARLSON
(DFC/USPS-8)

The United States Postal Service hereby provides its response to the following interrogatory of Douglas F. Carlson: DFC/USPS-8, filed on September 27, 2001.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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October 15, 2001

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DFC/USPS-8.

Please explain the extent to which EXFC scores for overnight, two-day, and three-day First-Class Mail delivery and PETE scores for Priority Mail delivery directly affect postal managers' compensation.

RESPONSE:

All postal managers' participate in the Postal Service's Pay for Performance Program.

This program covers all career non-bargaining employees, excluding Postal Inspectors and Office of Inspector General staff, and takes a portion of an employee's pay and makes it contingent upon the attainment of certain performance measures. Certain employees gave up premium overtime payments to participate in this program and none of the participants now receives cost-of-living pay increases paid to bargaining employees and across the board general increases. Neither do the participating employees receive locality pay adjustments that other Federal Government agencies pay their employees.

Under this program, pay-for-performance incentives are earned based on an Economic Value Added calculation and by achieving specific customer, employee, and business goals. For the Fiscal Year (FY) 2001 program, one third of any potential incentive is based on achieving a 93 percent external First-Class (EXFC) overnight threshold and meeting or exceeding the Priority Mail two-day surface transportation (PETE) delivery scores set for each Area and Performance Cluster. The PETE national target is 94 percent.

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EXFC overnight has been the primary customer measure since FY 1997. The PETE goal was combined with EXFC overnight in FY 1998. In some past years, other mail delivery scores have been combined with EXFC and PETE like the EXFC two to three day delivery, ease of use, and air Priority Mail goals. These are not included in the current calculation.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Scott L. Reiter

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