

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

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN  
(DBP/USPS-55)

The United States Postal Service hereby files its response to the following interrogatory of David B. Popkin: DBP/USPS-55, filed on November 26, 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.  
Chief Counsel, Ratemaking

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Scott L. Reiter

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December 12, 2001

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

**DBP/USPS-55** [a] Please confirm, or discuss and explain if you are not able to confirm, that compensation for many Postal Service Installation Heads is affected by the EXFC results for their area of responsibility. [b] Other than the Installation Head [Postmaster I District Manager / etc.] provide a listing of the categories of Postal Service Managers whose compensation is affected by EXFC results. [c] Provide an explanation of the method by which the compensation is tied to the EXFC results. [d] Are all EXFC results utilized or is it limited to the overnight score only? [e] If only overnight, please explain why.

**RESPONSE:**

- (a) Compensation for all Postal Service installation heads is affected by EXFC results. EXFC is included as a performance indicator under the Pay for Performance program that is an integral part of a broader compensation package for all Postal Service non-bargaining employees, including installation heads.
- Under the Pay for Performance program, compensable targets are established in three categories; Voice of the Customer, Voice of the Employee, and Voice of the Business. Achievement of the national EXFC Overnight target is considered the minimum criterion that must be met before employees receive credit for achieving any other Voice of the Customer goal
- (b) The FY 2001 participants in the Pay for Performance program includes all categories of non-bargaining employees: supervisors; postmasters; line managers and staff; Headquarters/Area staff; and Executives.
- (c) As discussed above, the EXFC results are the threshold for receiving credit under the Voice of the Customer portion of the Pay for Performance program. If the national EXFC goal is met, then the employee is eligible to receive credit under Voice of the Customer. No credit is awarded, however, unless the national Priority Mail (PETE) target is also met.
- (d)-(e) Only the overnight score was used in the Pay for Performance program for FY 2001. The number of targets utilized in the Pay for Performance program is deliberately limited to promote greater understanding of the program and provide greater focus on the targets used. For FY 2002, the 2 and 3 day scores will also be utilized.

## 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.

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Scott L. Reiter

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