

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

**Service Performance Measurement
Systems for Market Dominant Products**

Docket No. PI2008-1

**INITIAL COMMENTS OF AMERICAN POSTAL WORKERS UNION, AFL-CIO,
ON SERVICE PERFORMANCE MEASUREMENT SYSTEMS
FOR MARKET DOMINANT PRODUCTS**

(January 18, 2008)

Pursuant to Commission Order No. 48 issued on December 4, 2007, the American Postal Workers Union, AFL-CIO (APWU) respectfully submits these comments in response to the Commission's Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products.

The Postal Enhancement and Accountability Act (hereinafter "PAEA" or "the Act"), enacted December 20, 2006, directs the United States Postal Service ("hereinafter "USPS" or "Postal Service"), in consultation with the Postal Regulatory Commission (hereinafter "PRC" or "the Commission"), to establish, by regulation, "a set of service standards for market-dominant products."¹ These service standards must be designed to achieve the four objectives outlined in Section 3691(b) of the Act, which includes the establishment of a performance measurement system. On November 29, 2007, the Postal Service submitted its final proposed service performance measurement system. The APWU is pleased to offer the following brief comments to address a few remaining concerns.

¹ 39 U.S.C. § 3691(a).

The Postal Service proposes an evolutionary approach to initiating the service performance measurement system and its proposal includes an adoption timeline and “interim measurement solutions pending development and adoption of longer term measures.”² The APWU submits that during the incremental roll-out of the measurement system the Postal Service should be required to meet certain benchmarks along the way to ensure that the system accurately reflects actual performance. This is necessary for several reasons.

Along with its evolutionary nature, the Postal Service’s proposal contains gradual adoption expectations for all classes of mail. For example, the Postal Service estimates that by January of 2009 only 25% of First-Class Mail presort letters will contain IMBs and other necessary electronic mail information and only 50% will contain this information by January of 2010.³ This estimate is unrealistically low given that IMBs will be required for all presort mailers seeking discounts by January 2009.

In addition to proposing low adoption estimates, the Postal Service states that mail that does not meet the mail preparation requirements will not be included for service measurement.⁴ In its proposal, the Postal Service did not indicate that this mail would be barred from delivery in the desired class. Excluding this mail from performance evaluation may cause measurements that are not reflective of the service of the average mail being sent, leading to atypical results. Relying on atypical results could cause a skewed and inaccurate trend line. In turn, this inaccurate trend line could lead to the creation and implementation of long-term performance

² USPS Service Performance Measurement Proposal page 2.

³ Id. at page 20.

⁴ Id. at page 11, see also pages 21, 34, 35, 37, 45.

measurement systems that do not correctly measure and evaluate actual future service. To avoid this problem, benchmarks should be in place throughout the development and implementation of the service measurement systems to ensure at all times that the measurement systems accurately reflect real service.

In addition to the creation of these benchmarks, the APWU requests clarification on two matters raised in the Postal Service proposal. First, as mentioned above, the Postal Service states that “only mailings that meet acceptable mail preparation criteria will be included for service measurement.”⁵ However, it is not clear that this mail will be excluded from the class it is intended for. If this mail is ultimately included in the class, it would seem to require attention in the service measurement system.

Second, after careful reading of the Postal Service proposal, it is still not clear whether mail that is sent to businesses will be included for reporting or that only mail destined for households will be tracked. The APWU asks that the Commission determine whether there is any single piece measurement of mail sent from households to businesses.

The APWU appreciates the opportunity to submit the forgoing comments and requests for consideration by the Commission.

Respectfully submitted,

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⁵ Id. at page 11.