

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Periodic Reporting of Service Performance
Measurements and Customer Satisfaction

Docket No. RM2009-11

COMMENTS OF THE PUBLIC REPRESENTATIVE
IN RESPONSE TO ORDER NO. 292

INTRODUCTION

The Public Representative hereby responds to the Commission's notice of proposed rulemaking concerning the periodic reporting of service performance measurements and customer satisfaction.¹ The notice seeks comments on the proposed rules, which establish reporting requirements for the measurement of service performance and customer satisfaction for each market dominant product.

The Public Representative agrees wholeheartedly with the Commission's view that such reporting requirements are a necessary part of the modern system of regulating market dominant products to "ensure [] service is not impaired as a result of the greater flexibility provided to the Postal Service under the PAEA and the rate cap requirements." *Id.*, at 1-2. As the Commission states, such requirements are not only

¹ Notice of Proposed Rulemaking on Periodic Reporting of Service Performance Measurements and Customer Satisfaction (herein "Notice"), September 2, 2009.

essential to preserving service performance, they enhance transparency, which is also an important part of the Commission's reporting responsibilities.

While agreeing with the stated policy goals, the Public Representative observes a significant difference between periodic reporting for service performance achievement and periodic reporting for costs, revenues, and rates under the existing periodic reporting rules. The existing periodic reporting rules were intended to incorporate periodic reporting for service performance. The proposed rules are not incorporated into, nor do they reference, the existing periodic reporting rules. Consequently, the proposed rules are unlikely to achieve the stated policy goals of preserving service performance and enhancing transparency.

In order to promote the stated policy goals, the Public Representative offers comments and suggests several changes to the proposed rules to integrate the proposed periodic reporting requirements into the existing periodic reporting requirements, and thereby improve transparency. Several suggested changes are intended to clarify Commission intent. Moreover, the Public Representative also identifies several additional data reporting items important to postal customers that were not included in the proposed periodic reporting rules and that would enhance reporting. The additional reporting suggested herein, which can be obtained directly from existing Postal Service data systems, is important to understanding First-Class Mail service performance and customer satisfaction.

I. THE PERIODIC REPORTING OF SERVICE PERFORMANCE MEASUREMENT SHOULD BE INTEGRATED INTO THE EXISTING COMMISSION PERIODIC REPORTING RULES, PART 3050.

A. The Relationship of Periodic Reporting for Service Performance Measurement to the Existing Periodic Reporting Rules Should Be Clarified

In Docket No. RM2008-4, Periodic Reporting Rules, the Commission stated its intention to develop the reporting requirements for service quality in a separate rulemaking, pending the completion of its evaluation of the Postal Service's proposed service performance measurement system in Docket No. PI2008-1.² The Commission reserved sections 3050.50 *et. seq.* of the proposed periodic reporting rules for this purpose. The Commission states that rules 3050.50 *et. seq.*, "are ultimately intended to describe the service performance information that would be required to implement the relevant provisions of the PAEA."³ The proposed periodic reporting rules for service performance measurement are not incorporated into the reserved sections 3050.50 *et. seq.* of the existing periodic reporting rules. More significantly, the proposed periodic reporting rules make no reference at all to the existing periodic reporting rules, sections 3050.50 *et. seq.* The proposed rules place periodic reporting for service performance measurement in a secondary or lesser position vis-à-vis the periodic reporting of costs, revenues and rates under the existing rules.

This secondary position is most evident with respect to changes to measurement systems and reporting requirements. Under the proposed rule, the Postal Service is to

² Docket No. RM2008-4, Order No. 104, August 22, 2008, at 12.

³ *Id.*, Order No. 203, April 16, 2009, at 49.

notify the Commission of changes to measurement systems and reporting methodologies, as well as service standards and service goals. At least with respect to measurement systems and reporting methodologies, these items appear to have the characteristics of accepted analytical principles. However, no specific authority is reserved to the Commission, on its own behalf, or granted to any interested person, including a public representative, to petition the Commission to initiate a proceeding to change service performance measurement systems and data reporting methodologies.

It is not clear from the Commission's notice of proposed rulemaking why there is such a dichotomy between periodic reporting for service performance measurement on the one hand and periodic reporting under the existing rules for costs, revenues and rates on the other. The PAEA does not make such a distinction. The Postal Service's annual compliance report pursuant to section 3652 requires the same standard of review for costs, revenues and rates as for service quality, *i.e.*, "an analysis . . . in sufficient detail to demonstrate that all products during such year complied with all applicable requirements of this title[.]" 39 USC 3652(a)(1).

The Commission's proposed rule 3055.5 appears to create a distinction between the reporting of service performance achievements on the one hand and the reporting of cost, revenue or volumes data on the other with respect to the Postal Service's annual compliance report that does not exist in the PAEA. In section 3652(a) of the PAEA, the Postal Service is required to report on "costs, revenues, rates, *and* quality of service . . ." (emphasis added). The Commission's proposed periodic reporting rules applicable to the same annual compliance report appear to create a distinction for service performance measurement and reporting methodologies. The Public

Representative's changes to proposed section 3055.5 make clear that service performance measurement and reporting methodologies will be treated as changes in analytical principles.

B. The Proposed Rules Can Be Modified to Better Integrate Periodic Reporting of Service Performance Achievement into the Existing Periodic Reporting Rules

The Public Representative proposes several changes to the Commission's proposed periodic reporting rules for service performance achievement. These changes are intended to establish periodic reporting for service performance on a par with periodic reporting for costs, revenues, and rates under the existing periodic reporting rules. This is accomplished by changes to the proposed rules that reference important definitional and procedural features of the existing periodic reporting rules. The Public Representative's changes to the Commission's proposed rules on periodic reporting for service performance achievements are presented in Appendix A.

1. Periodic reporting of service performance is based on "analytical principles" and should be defined by reference to Commission Rule 3050.1

The Commission's proposed periodic reporting rules for service performance achievement consist of analytical principles. The proposed rules specifically identify internal and hybrid service performance measurement "systems" and data reporting "methodologies" that have all the characteristics of an analytical principle, as defined and previously described by the Commission.⁴ Section 3050.1(c) of the existing periodic reporting rules defines an "analytic principle" as "a particular economic,

⁴ See Order No. 104 at 26-30.

mathematical or statistical theory, precept, or assumption applied by the Postal Service in producing a periodic report to the Commission.” As such, analytical principles are the basis of the systems or methodologies used in analysis that, if changed, would change the analysis.

Under the proposed rules, however, such systems and methodologies appear to lack the “standing” of an analytical principle, and therefore do not have the same regulatory weight as analytical principles relied upon in analyzing costs, revenues, and rates under sections 3050 *et. seq.* This difference in “standing” is most apparent with respect to reviewing changes in “accepted” analytical principles applicable to costs, revenues, and rates under the procedures of section 3050.11, versus changes to measurement systems and reporting methodologies under proposed section 3055.5. This difference is discussed more fully below.

The Public Representative considers measurement systems and reporting methodologies relied upon to measure and report service performance achievements to be analytical principles. As a result, the Public Representative proposes to retain the Commission’s text in section 3055.1, designated as subsection (a), and create a new subsection (b). This new subsection defines internal and hybrid service performance measurement systems and data reporting methodologies, whether connected to internal or external systems, to be analytical principles, by reference to section 3050.1(c). Moreover, to the extent reporting methodologies rely on any proxies for reporting service performance, new subsection (b) also defines such proxies as analytical principles.

2. The content of the annual report of service performance achievements can be limited while requiring a description of changes to accepted quantification techniques

Section 3055.2 of the Commission's proposed rules describes the content to be provided with each annual report concerning service performance achievement. This section consists of 10 subsections (a) through (k), with the content of each described by the Commission in its notice. Notice at 14. Section 3055.31 specifies similar content for the quarterly reports of service performance achievement.

In its Notice, the Commission states that the initial annual report on service performance achievement will require significant Postal Service effort to meet the requirements of 3055.2 so as to

create a baseline description of service performance measurement. . . .
However, subsequent annual reports will require the Postal Service only to replicate the previous reporting incorporating changes from year to year. Notice at 14.

Despite the clarity of the Commission's intent as explained in the Notice, the stated outcome is not explicitly required in the proposed section 3055.2. The proposed rules do not distinguish between content required to establish the baseline in the first annual report and subsequent annual reports. Nor do the proposed rules seek to minimize the content of the subsequent annual reports, as contemplated in the existing periodic reporting rules.

The Public Representative proposes two changes that create the baseline desired by the Commission, while minimizing the provision of descriptive information that does not change from year-to-year. First, a new subsection (c) is created in section 3055.1. New subsection (c) would require, for the first section-3652 report due after this rule becomes final, a description of the analytical principles used in reporting

service performance achievement for each product. As proposed above, those analytical principles are defined in new subsection (b). New subsection (c) further identifies specific descriptive information derived from Commission-proposed subsections (e)(1), (2), (3), and (5) of section 3055.2. As a result, this new subsection establishes a one-time reporting requirement for the Postal Service to document its analytical principles so as to create the baseline description of its service performance measurement systems and reporting methodologies, as contemplated by the Commission.

Second, in section 3055.2, the requirements of subsection (e) are revised to require in each annual report a description of any changes in input data and quantification techniques where those quantification techniques differ from those accepted previously by the Commission, *i.e.*, accepted quantification techniques, as defined in 3050.1(b).

These two changes are designed to mimic the reporting requirements established in the existing periodic reporting rules.⁵ They would minimize the annual reporting requirements for service performance achievement by requiring additional detail only where new data or quantification techniques have changed. Thus, after the baseline is created in the initial annual report for service performance achievement, changes to the baseline, *i.e.*, accepted analytical principles, would be approved in advance in a separate rulemaking, and documented therein. (Procedures to change accepted analytical principles for reporting service performance achievements are

⁵ See *Id.* at 21.

discussed more fully below.) As a result, documentation of changes to analytical principles would not be required as part of subsequent annual reports.

3. Proposed changes to accepted analytical principles for reporting service performance achievement should utilize the procedures of Commission Rule 3050.11

Section 3055.5 of the proposed rules requires the Postal Service to notify the Commission and describe any changes to measurement systems, service standards, service goals, and reporting methodologies 30 days prior to the planned implementation of such changes. Under the rule, the Commission reserves the right to institute a proceeding to consider Postal Service changes “if it appears that the changes might have a material impact on the accuracy, reliability, or utility of the reported measurement, or if the changes might have a material impact on the characteristics of the underlying product.” Notice at 16.

Proposed rule 3055.5 establishes a different standard of review and separate procedures with respect to changes in service performance measurement systems, reporting methodologies, and service standards and goals by comparison to changes in accepted analytical principles used in analysis of costs, revenues, and rates under the existing periodic reporting rules. Changes to accepted analytical principles used in analysis under the existing periodic reporting rules are governed by section 3050.11. Under this section, the Commission, acting on its own initiative, may issue a notice of proceeding to change accepted analytical principles. Other interested persons, including the Postal Service, may also petition the Commission to initiate such a proceeding. Proposed rule 3055.5 does not establish similar criteria for evaluating changes, or a similar right for the Commission, the Postal Service, or interested parties

to initiate changes. To the extent the Commission, the Postal Service, or other interested parties are seeking changes to improve accepted analytical principles used in measuring and reporting service performance achievement, those changes should be vetted in the same manner as changes for accepted analytical principles applicable to costs, revenues, and rates.

The Public Representative proposes to establish new procedures for the review of changes to measurement systems, reporting methodologies, service standards and service goals. More specifically, the Public Representative proposes to separate the duties required of the Postal Service applicable to changes in external service performance measurement systems, service standards and service goals from the requirements of the Commission and other parties applicable to measurement systems and reporting methodologies.

Toward this end, a new subsection (a) is created and the existing text of section 3055.5 is designated as subsection (b). New subsection (a) governs changes applicable to accepted analytical principles, *i.e.*, internal and hybrid service performance measurement systems and data reporting methodologies, including the use of proxies for reporting service performance. This section would require the Postal Service to utilize the procedures of section 3050.11 for any such changes. New subsection (a) also authorizes the Commission, or any interested person to petition the Commission, to issue a notice of proceeding to change measurement systems and reporting methodologies pursuant to section 3050.11. Under subsection (b), the Postal Service would be required to apprise the Commission of any changes to external measurement systems, service standards and service goals.

By comparison to new subsection (a), subsection (b) imposes a lesser duty on the Postal Service with respect to changes in external measurement systems, service standards and service goals. The PAEA requires that the Postal Service use external measurement systems unless internal systems are authorized by the Commission. The Postal Service is also charged with developing, in consultation with Commission, service standards and service goals. Given the Commission's consultative role, it does not have final decision authority over the external measurement systems or service standards and service goals. Accordingly, the changes proposed for section 3055.5 preserve the requirement of notice for changes in service standards and service goals, and adds changes applicable to external measurement systems. It also preserves the possibility of Commission review, if it appears such changes might have a material impact on the accuracy, reliability, or utility of the reported measure, or characteristics of the underlying product. However, new subsection (b) increases the period for Postal Service notice prior to implementation of any changes in external measurement systems, service standards and service goals from 30 days to 60 days to permit a reasonable time for Commission review of any such changes.

C. Minor Wording Changes to Several Proposed Rules and Illustrative Annual and Quarterly Data Reporting Charts Would Clarify Commission Intent

1. Proposed section 3055.2(i) can be clarified by changing the word "next" to "preceding"

Section 3055.2(i) of the proposed rules requires the Postal Service to document "how data reported at a given level of aggregation were derived from data reported at the next level of aggregation." The Commission describes subsection (i) (and

subsection (j)) as providing independent parties with “the information necessary to be able to replicate the aggregations/desegregations made by the Postal Service between and among the various reports, and over the various timeframes.” Notice at 15. The same requirement appears in proposed section 3055.31(d).

With respect to subsection (i), Commission use of the term “next” seems nonspecific in reference to “level of aggregation.” The usage clearly suggests that there is more than one level of aggregation. However, it does not capture the sense that one level of aggregation must come before another.

In the case of data reporting, the term aggregation suggests the meaning that when a total is considered with reference to its constituent parts, such totals are derived from one or more subtotals, and subtotals from individual data elements. In a visual sense, if aggregation is viewed as a pyramid consisting of various levels of aggregation with data elements at the “base” or widest part of the pyramid, then each level of aggregation (i.e., the final total, or subtotals) must be derived from the preceding level (i.e., subtotals, or data elements).

The Public Representative suggests a refinement to 3055.2(i) (and 3055.31(d)) to bring clarity to the Commission’s intent by deleting the word “next” and substituting the term “preceding.” As a result, the structure of the rule would make clear that data reported at a given level is derived from some preceding level, as a total is derived from one or more subtotals. Conversely, this change is not intended to, nor will it, prevent an understanding of the preceding or disaggregated level. Requiring that the Postal Service document how a given, i.e., higher level of aggregation, is derived from the

preceding, or disaggregated, level will make clear the path from the preceding disaggregated level.

2. The illustrative tables for reporting service performance data for Special Services should be made consistent with the proposed rules

For each product within the Special Service group, section 3055.24(a) requires the Postal Service to “report the percentage of time (rounded to one decimal place) that each product meets or exceeds its service standard.” A similar requirement is specified with respect to the quarterly reporting of service performance achievement for special services in section 3055.65(a). The Commission illustrates the form and content of the annually and quarterly Special Service product data to be reported in illustrative annual and quarterly report data reporting charts,” Table VII-2E, Special Services Performance, and Table VII-3E, Special Services Performance, respectively.⁶

The requirement to “report the percentage of time” that each product meets the service standards reflects the stated service standards for Special Service, as currently established by the Postal Service.⁷ Those service standards specify a stated period of time, such as hours or days. An example is Address Correction (electronic), which specifies: “Availability of address change data within 24 hours of scan for domestic mail.”⁸ However, the illustrative tables require the reporting of service performance data

⁶ Notice at 40 and 56. For discussion purposes the annual and quarterly tables will collectively be referred to as “illustrative tables,” unless otherwise indicated.

⁷ 72 Fed. Reg. 72227, December 19, 2007.

⁸ With respect to Delivery Confirmation, Signature Confirmation, Certified Mail, Registered Mail, electronic Return Receipt, and Collect on Delivery, the Commission requested a further development of the measurement systems to measure the actual service provided. See Order No. 140 at 32-35. In this proceeding, the Commission requests continued development of the measurement system for hard-copy green card Return Receipt service. Notice at 26-28.

for the “% Meeting Target.” The Commission describes data to be reported as “the percentage of time that each product within Special Services *meets or exceeds its performance objective . . .*” (Emphasis added)

The “% Meeting Target” in the illustrative tables differs from the requirement to “report the percentage of time” as stated in proposed rule 3055.24. Moreover, in the illustrative tables for Special Services, the column headed “Target,” which the Commission describes as the “performance objective” in its Notice, is not the service standard.

Reference to the “Target” in the illustrative tables for Special Services data reporting is unnecessary. For all products other than Special Services, the proposed rules require data reporting for “on-time service performance,” which “represents the percentage of mailpieces delivered within the applicable service standard for those mailpieces.” Notice at 9. In the illustrative tables for all other products, the data reported is the “% On-Time.” The column headed “Target” is there for comparative purposes, not as the reference point for data reporting.

To place Special Services on the same footing for reporting purposes as all other products, and to make the illustrative tables consistent with the service standard and proposed section 3055.24 for Special Service, the Public Representative proposes to revise the heading in the second numeric column of Tables VII-2E and VII-3E to read, “% of Time.”

3. The phrase “service goals” is used interchangeably with “target”

The Public Representative observes is a small discrepancy in word usage between the proposed rules and the illustrative tables. The proposed rules refer to

“service goals” when referencing the numeric criteria against which the Postal Service will measure service performance.⁹ This phraseology not only differs from how the Postal Service speaks of such numeric criteria,¹⁰ but also from the illustrative tables, which use the term “Target.”

Possible alternatives to addressing this discrepancy clarifying in the rules that “service goals” is synonymous with “targets,” or replace the term “Target” in the illustrative tables with term “Goal.” The Public Representative believes the latter is preferable, given the Postal Service’s use of the term in referring to the numeric criteria on its webpage.

II. THE PROPOSED RULES CAN BE FURTHER IMPROVED BY REQUIRING DATA REPORTING FOR FORWARDED MAIL AND AN ALTERNATIVE MEASURE OF CUSTOMER SATISFACTION

A. The Periodic Reporting of Performance Data on First Class Mail that is Forwarded Can Improve First-Class Mail Service Performance

In its Final Rule establishing modern service standards for market dominant products, the Postal Service rejected comments urging it to establish separate service standards for forwarded and Change-of-address First-Class Mail.¹¹ In that same Final Rule, the Postal Service also rejects, in a footnote, the reporting of service performance data on forwarded mail, stating obliquely that it “is not averse to capturing additional

⁹ See § 3055.5

¹⁰ http://ribbs.usps.gov/targets/documents/tech_guides/Targets.pdf.

¹¹ *Modern Service Standard for Market Dominant Products; Final Rule*, 72 Fed. Reg. 72221, December 19, 2007.

operational data that would help it to better monitor its ability to efficiently and expeditiously forward and/or return undeliverable-as-addressed mail.”¹² Consequently, the Post Service did not propose any measurement of forwarded First-Class Mail in its service performance measurement plans.¹³ Nor has forwarded First-Class Mail ever been measured by EXFC for purposes of reporting on-time performance.

The Public Representative has previously stressed the importance of requiring data reporting on the performance of forwarded First-Class Mail to both individual and business mailers.¹⁴ In this regard, the Public Representative observed that the timely processing of Change-of-Address orders and forwarded mail were some of the most common complaints expressed to the Postal Service.¹⁵

As a result, the Public Representative urged data reporting for forwarded mail to improve transparency and promote higher levels of service performance for this integral feature of First-Class Mail.¹⁶ Moreover, in the absence of any measurement in EXFC, the Commission has requested that the Postal Service “explore the cost of periodically conducting studies of service performance for forwarded and returned First-Class Mail

¹² *Id.*

¹³ See PRC Order No. 48, Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products, December 4, 2008; see also PRC Order No. 83, Second Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products, June 18, 2008.

¹⁴ Docket No. PI2008-1, Public Representative Initial Comments in Response to Notice of Request for Comments on Service Performance Measurement Systems for Market-Dominant Products (herein “PR Initial Comments”), January 18, 2008, at 8-12.

¹⁵ PR Initial Comments at 10.

¹⁶ PR Initial Comments at 8 and 12.

and inform the Commission of their feasibility by the conclusion of fiscal year 2009.¹⁷ To date, however, the Postal Service has not responded to the Commission's request nor otherwise discussed the possibility of providing data on the performance of forwarded mail.

The Public Representative believes that the current rulemaking is the proper proceeding to require periodic reporting of the additional operational data captured by the Postal Service. As previously stated:

In the absence of some type of measurement and reporting, neither the Commission nor mailers will have any direct and systematic means of knowing whether progress is being made toward achieving higher levels of service performance for this most complained-about service feature of First-Class Mail.¹⁸

B. The Reporting of Call Center and Other Customer Inquiry Data Collected by the Postal Service Can Provide an Unvarnished Measure of Customer Satisfaction or Lack Thereof

Section 3652(a)(2) of the PAEA specifically requires that the Postal Service include in its annual report to the Commission "measures of the quality of service afforded by the Postal Service in connection with" each market dominant product, including "(ii) the degree of customer satisfaction with the service provided." Subpart C—Reporting of Customer Satisfaction of the Commission's proposed rules is directly responsive to this statutory requirement. It requires, as a minimum, reporting on consumer access to postal services, customer satisfaction, and the retail experience of customers. §§ 3055.90 *et. seq.*

¹⁷ Order No. 140 at 24.

¹⁸ *Modern Service Standards for Market-Dominant Products; Proposed Rule*, 72 Fed. Reg. 58948, October 17, 2007,.

Section 3055.92 of the proposed rules specify the reporting of customer satisfaction based upon the Postal Service's Customer Satisfaction Measurement (CSM) surveys of residential and business customers. The Postal Service explains that the CSM survey of individuals, which predates the PAEA, "reports customers' perception of the quality of their mail delivery, the service they received at Post Offices and other postal outlets, and their experiences with other postal contacts, including phone or online assistance."¹⁹ A separate CSM survey of business customers is conducted based upon size.²⁰ The proposed rules, at section 3055.93, also seek information from the Mystery Shopper Program to assess customer satisfaction. This program, as its name implies, is focused on replicating the experience of customers at postal retail locations.²¹

Both the CSM surveys and the Mystery Shopper Program are important in assessing customer satisfaction in general, and at retail. However, the CSM surveys attempt to measure overall customer satisfaction (or lack thereof) by reporting postal customers' perceptions of their service experiences with the Postal Service. These after-the-fact remembrances may reflect only general observations or concerns. In addition, such surveys reflect management-driven interests, and surveyed customers are constrained in their responses by the selected range of answers offered. Moreover,

¹⁹ United States Postal Service, *Comprehensive Statement on Postal Operations 2008*, at 11.

²⁰ *Id.*

²¹ Section 3055.91(d) also attempts to assess the customer retail experience by requiring that "average customer wait time in line for retail service be reported." Although required as a reported item under "customer access," wait time in line can also serve as a measure of customer satisfaction when the average is used as a basis for comparison with specific postal retail locations or private sector retail operations.

as noted above, the Mystery Shopper Program is limited to customers' retail experience.

The Public Representative believes the Commission can improve upon the measurement of customer satisfaction that compensates for the management-driven focus of CSM surveys,²² and the more narrow focus of the Mystery Shopper Program. In this regard, the Commission could supplement its rules by requiring the reporting of Call Center and other customer inquiry data. Such data is obtain directly from postal customers that have contacted the Postal Service in an attempt to obtain information, resolve a service problem, or express their views on actual service experiences. These direct contacts therefore represent a direct measure of customer satisfaction (or lack thereof). As such, this data reflects customer-driven concerns that are likely broader and also different than topics in management-driven customer satisfaction surveys. Moreover, Call Center data and other customer inquiry data are available both quarterly and on an annual basis from the Postal Service.²³

The foreseeable complaint against the reporting of such data is that it is not statistically representative. The Commission should not *per se* accept such an argument as a reason to reject the addition of this data to the reporting requirement. There is no requirement that the data must be representative. Rather the test should be whether the data is measurable and meaningful. On that basis, the data can be

²² The Public Representative previously addressed the Postal Service's measurement of customer satisfaction prior to the Postal Service's planned redesign of its Customer Satisfaction Measurement survey intended to meet the requirements of the PAEA. See PR Initial Comments at 12-19; see also Order No. 140 at 44.

²³ Call Center and other customer inquiry data was most recently presented to the Commission in the attachment to the Postal Service's response to DFC/USPS-3, in Docket No. R2005-1.

accepted for what it is: The universe is service concerns important enough to postal customers that they contacted the Postal Service directly. As such, it represents a continuous stream of real-world concerns from postal customers that can be measured, reported and evaluated over time.

Respectfully submitted,

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ATTACHMENT A

PART 3055—SERVICE PERFORMANCE AND CUSTOMER SATISFACTION REPORTING

Subpart A—Annual Reporting of Service Performance Achievements

§ 3055.1 Annual reporting of service performance achievements.

- (a) For each market dominant product specified in 39 CFR Part 3020, Appendix A to Subpart A of Part 3020—Mail Classification Schedule, the Postal Service shall file a report as part of the section 3652 report addressing service performance achievements for the preceding fiscal year.
- (b) For purposes of this part, a system of internal (or hybrid) service performance measurement (measurement system) and a methodology for data reporting (reporting methodology), including the use of any proxy for reporting service performance, is an analytic principle as defined in § 3050.1(c).
- (c) For the first section 3652 report due after this rule becomes final, the Postal Service shall provide for each product a description of the analytic principles in subsection (b), including:
 - (1) A description of what is being measured;
 - (2) A description of the system used to obtain each measurement;
 - (3) A description of the methodology used to develop reported data from measured data; and
 - (4) Where proxies are used, a description of and justification for the use of each proxy.

§ 3055.2 Contents of the annual report of service performance achievements.

- (a) The items in subsections (b) through (j) of this section shall be included in the annual report of service performance achievements.
- (b) The class or group-specific reporting requirements specified in §§ 3055.20 through 3055.25.

- (c) The applicable service standard(s) for each product.
- (d) The applicable service goal(s) for each product.
- (e) A description of any changes to any accepted quantification technique as defined in 3050.1(b), implemented within the reported fiscal year.
- (f) A description of the statistical validity and reliability of the results for each measured product.
- (g) A description of how the sampled data represents the national geographic mail characteristics or behavior of the product.
- (h) The identification of each product, or component of a product, granted an exception from reporting pursuant to § 3055.3, and a certification that the rationale for originally granting the exception remains valid.
- (i) Documentation showing how data reported at a given level of aggregation were derived from data reported at the preceding level of aggregation. Such documentation shall be in electronic format with all data links preserved. It shall show all formulas used, including volumes and other weighting factors.
- (j) For each product, documentation showing how the reports required by subpart A of this part were derived from the reports required by subpart B of this part. Such documentation shall be in electronic format with all data links preserved. It shall show all formulas used, including volumes and other weighting factors.

§ 3055.3 Reporting exceptions.

- (a) The Postal Service may petition the Commission to request that a product, or component of a product, be excluded from reporting, provided the Postal Service demonstrates that:
 - (1) The cost of implementing a measurement system would be prohibitive in relation to the revenue generated by the product, or component of a product;
 - (2) The product, or component of a product, defies meaningful measurement; or

- (3) The product, or component of a product, is in the form of a negotiated service agreement with substantially all components of the agreement included in the measurement of other products.
- (b) The Postal Service shall identify each product or component of a product granted an exception in each report required under subparts A or B of this part, and certify that the rationale for originally granting the exception remains valid.

§ 3055.4 Internal measurement systems.

Service performance measurements obtained from internal measurement systems or hybrid measurement systems (which are defined as systems that rely on both an internal and an external measurement component) shall not be used to comply with any reporting requirement under subparts A or B of this part without prior Commission approval.

§ 3055.5 Changes to internal service performance measurement systems, data reporting methodologies, service standards, or service goals.

- (a) Pursuant to the procedures of § 3050.11, the Commission, acting on its own behalf, may issue a notice of proceeding to change an accepted analytical principle as defined in § 3050.1(a). In addition, any interested person, including the Postal Service or a public representative, may submit a petition to the Commission to initiate such a proceeding.
- (b) The Postal Service shall file notice with the Commission describing all changes to external service performance measurement systems, service standards, or service goals 60 days prior to planned implementation. The Commission may initiate a proceeding to consider such changes if it appears that the changes might have a material impact on the accuracy, reliability, or utility of the reported measurement, or if the changes might have a material impact on the characteristics of the underlying product.

§ 3055.6 Addition of new market dominant products or changes to existing market dominant products.

Whenever the Postal Service proposes the addition of a new market dominant product or a change to an existing market dominant product, it also shall propose new or revised (as necessary) service performance measurement systems, service standards, service goals, data reporting elements, and data reporting methodologies.

§ 3055.7 Special study.
Included in the second section 3652 report due after this rule becomes final, and every 2 years thereafter, the Postal Service shall provide a report, by class of mail, on delivery performance to remote areas of the Alaska, Caribbean, and Honolulu districts.

§ 3055.8 Reserved.

§ 3055.9 Reserved.

§ 3055.10 Reserved.

§ 3055.11 Reserved.

§ 3055.12 Reserved.

§ 3055.13 Reserved.

§ 3055.14 Reserved.

§ 3055.15 Reserved.

§ 3055.16 Reserved.

§ 3055.17 Reserved.

§ 3055.18 Reserved.

§ 3055.19 Reserved.

§ 3055.20 First-Class Mail.

- (a) *Single-Piece Letters/Postcards, Bulk Letters/Postcards, Flats, and Parcels.* For each of the Single-Piece Letters/Postcards, Bulk Letters/Postcards, Flats, and Parcels products within the First-Class Mail class, report the on-time service performance (as a percentage rounded to one decimal place), disaggregated by mail subject to the overnight, 2-day, and 3/4/5-day service standards.
- (b) *Outbound Single-Piece First-Class Mail International and Inbound Single-Piece First-Class Mail International.* For each of the Outbound Single-Piece First-Class Mail International and Inbound Single-Piece First-Class Mail International products within the First-Class Mail class, report the on-time service performance (as a percentage rounded to one decimal place).

- § 3055.21 Standard Mail.**
For each product within the Standard Mail class, report the on-time service performance (as a percentage rounded to one decimal place).
- § 3055.22 Periodicals.**
For each product within the Periodicals class, report the on-time service performance (as a percentage rounded to one decimal place).
- § 3055.23 Package Services.**
For each product within the Package Services class, report the on-time service performance (as a percentage rounded to one decimal place).
- § 3055.24 Special Services.**
For each product within the Special Services group, report the percentage of time (rounded to one decimal place) that each product meets or exceeds its service standard.
- § 3055.25 Nonpostal products.**
[Reserved]
- § 3055.26 Reserved.**
- § 3055.27 Reserved.**
- § 3055.28 Reserved.**
- § 3055.29 Reserved.**

Subpart B—Periodic Reporting of Service Performance Achievements

- § 3055.30 Periodic reporting of service performance achievements.**
For each market dominant product specified in 39 CFR Part 3020, Appendix A to Subpart A of Part 3020—Mail Classification Schedule, the Postal Service shall file a Quarterly Report with the Commission addressing service performance achievements for the preceding fiscal quarter (within 40 days of the close of each fiscal quarter).
- § 3055.31 Contents of the Quarterly Report of service performance achievements.**
- (a) The items in subsections (b) through (e) of this section shall be included in the quarterly report of service performance achievements.

- (b) The class or group-specific reporting items specified in §§ 3055.45 through 3055.70.
- (c) The identification of each product, or component of a product, granted an exception from reporting pursuant to § 3055.3, and a certification that the rationale for originally granting the exception remains valid.
- (d) Documentation showing how data reported at a given level of aggregation were derived from data reported at the preceding level of aggregation. Such documentation shall be in electronic format with all data links preserved. It shall show all formulas used, including volumes and other weighting factors.
- (e) A year-to-date aggregation of each data item provided in each Quarterly Report due for the reported fiscal year, where applicable, including volumes and other weighting factors provided in electronic format, with formulas shown and data links preserved to allow traceability to individual Quarterly Reports.

§ 3055.32 Measurement systems using a delivery factor.

For measurements that include a delivery factor, the duration of the delivery factor also shall be presented independent of the total measurement.

§ 3055.33 Reserved.

§ 3055.34 Reserved.

§ 3055.35 Reserved.

§ 3055.36 Reserved.

§ 3055.37 Reserved.

§ 3055.38 Reserved.

§ 3055.39 Reserved.

§ 3055.40 Reserved.

§ 3055.41 Reserved.

§ 3055.42 Reserved.

§ 3055.43 Reserved.

§ 3055.44 Reserved.

§ 3055.45 First-Class Mail.

- (a) *Single-Piece Letters/Postcards, Bulk Letters/Postcards, Flats, and Parcels.* For each of the Single-Piece Letters/Postcards, Bulk Letters/Postcards, Flats, and Parcels products within the First-Class Mail class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), disaggregated by mail subject to the overnight, 2-day, and 3/4/5-day service standards, provided at the District, Postal Administrative Area, and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, disaggregated by mail subject to the overnight, 2-day, and 3/4/5-day service standards, provided at the District, Postal Administrative Area, and National levels.
- (b) *Outbound Single-Piece First-Class Mail International and Inbound Single-Piece First-Class Mail International.* For each of the Outbound Single-Piece First-Class Mail International and Inbound Single-Piece First-Class Mail International products within the First-Class Mail class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), provided at the Postal Administrative Area and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, provided at the Postal Administrative Area and National levels.

§ 3055.46 Reserved.

§ 3055.47 Reserved.

§ 3055.48 Reserved.

§ 3055.49 Reserved.

§ 3055.50 Standard Mail.

- (a) For each product within the Standard Mail class, report the on-time service performance (as a percentage rounded to one decimal place), disaggregated by the Destination Entry (2-day through 4-day), Destination Entry (5-day through 10-day), End-to-End (3-day through 5-day), and End-to-End (6-day through 22-day) entry mail/service standards, provided at the District, Postal Administrative Area, and National levels.
- (b) For each product within the Standard Mail class, report the service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, disaggregated by the Destination Entry (2-day through 4-day), Destination Entry (5-day through 10-day), End-to-End (3-day through 5-day), and End-to-End (6-day through 22-day) entry mail/service standards, provided at the District, Postal Administrative Area, and National levels.

§ 3055.51 Reserved.

§ 3055.52 Reserved.

§ 3055.53 Reserved.

§ 3055.54 Reserved.

§ 3055.55 Periodicals.

- (a) *Within County Periodicals.* For the Within County Periodicals product within the Periodicals class, report the:
 - (1) On-time service performance (as a percentage rounded to one decimal place), provided at the Postal Administrative Area and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, provided at the Postal Administrative Area and National levels.

- (b) *Outside County Periodicals.* For the Outside County Periodicals product within the Periodicals class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), disaggregated by the Destination Entry and End-to-End entry mail, provided at the Postal Administrative Area and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, disaggregated by the Destination Entry and End-to-End entry mail, provided at the Postal Administrative Area and National levels.

§ 3055.56 Reserved.

§ 3055.57 Reserved.

§ 3055.58 Reserved.

§ 3055.59 Reserved.

§ 3055.60 Package Services.

- (a) *Single-Piece Parcel Post.* For the Single-Piece Parcel Post product within the Package Services class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), disaggregated by mail subject to the 2-day through 4-day and 5-day through 20-day service standards, provided at the District, Postal Administrative Area, and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, disaggregated by mail subject to the 2-day through 4-day and 5-day through 20-day service standards, provided at the District, Postal Administrative Area, and National levels.

- (b) *Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media Mail/Library Mail.* For each of the Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media Mail/Library Mail products within the Package Services class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), disaggregated by the Destination Entry and End-to-End entry mail, provided at the District, Postal Administrative Area, and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, disaggregated by the Destination Entry and End-to-End entry mail, provided at the District, Postal Administrative Area, and National levels.
- (c) *Inbound Surface Parcel Post (at UPU rates).* For the Inbound Surface Parcel Post (at UPU rates) product within the Package Services class, report the:
- (1) On-time service performance (as a percentage rounded to one decimal place), provided at the Postal Administrative Area and National levels; and
 - (2) Service variance (as a percentage rounded to one decimal place) for mail delivered within +1 day, +2 days, and +3 days of its applicable service standard, provided at the Postal Administrative Area and National levels.

§ 3055.61 Reserved.

§ 3055.62 Reserved.

§ 3055.63 Reserved.

§ 3055.64 Reserved.

§ 3055.65 Special Services.

- (a) For each product within the Special Services group, report the percentage of time (rounded to one decimal place) that each product meets or exceeds its service standard, provided at the National level.

- (b) *Additional reporting for Ancillary Services.* For the Certified Mail, electronic Return Receipt, Delivery Confirmation, Insurance, and an aggregation of all other services within the Ancillary Services product, individually report the percentage of time (rounded to one decimal place) that each service meets or exceeds its service standard. For green card Return Receipt report:
- (1) The number of EXFC seed mailpieces sent;
 - (2) The percentage of green cards properly completed and returned;
 - (3) The percentage of green cards not properly completed, but returned;
 - (4) The percentage of mailpieces returned without a green card signature; and
 - (5) The percentage of the time the service meets or exceeds its overall service standard.
- (c) *Additional reporting for Post Office Box Service.* For Post Office Box Service, report the percentage of time (rounded to one decimal place) that the product meets or exceeds its service standard, provided at the District and Postal Administrative Area levels.

§ 3055.66 Reserved.

§ 3055.67 Reserved.

§ 3055.68 Reserved.

§ 3055.69 Reserved.

§ 3055.70 Nonpostal products.
[Reserved]

§ 3055.71 Reserved.

§ 3055.72 Reserved.

§ 3055.73 Reserved.

- § 3055.74 Reserved.
- § 3055.75 Reserved.
- § 3055.76 Reserved.
- § 3055.77 Reserved.
- § 3055.78 Reserved.
- § 3055.79 Reserved.
- § 3055.80 Reserved.
- § 3055.81 Reserved.
- § 3055.82 Reserved.
- § 3055.83 Reserved.
- § 3055.84 Reserved.
- § 3055.85 Reserved.
- § 3055.86 Reserved.
- § 3055.87 Reserved.
- § 3055.88 Reserved.
- § 3055.89 Reserved.

Subpart C—Reporting of Customer Satisfaction

- § 3055.90 **Reporting of customer satisfaction.**
For each market dominant product specified in 39 CFR Part 3020, Appendix A to Subpart A of Part 3020—Mail Classification Schedule, the Postal Service shall file a report as part of the section 3652 report, unless a more frequent filing is specifically indicated, addressing customer satisfaction achievements for the preceding fiscal year. The report shall include, at a minimum, the specific reporting requirements presented in §§ 3055.91 through 3055.93.
- § 3055.91 **Consumer access to postal services.**

- (a) The following information pertaining to post offices shall be reported, disaggregated by type of post office facility, and provided at the Postal Administrative Area and National levels:
 - (1) The number of post offices at the beginning of the reported fiscal year;
 - (2) The number of post offices at the end of the reported fiscal year;
 - (3) The number of post office closings in the reported fiscal year;
 - (4) The number of post office emergency suspensions in effect at the beginning of the reported fiscal year;
 - (5) The number of post office emergency suspensions in the reported fiscal year; and
 - (6) The number of post office emergency suspensions in effect at the end of the reported fiscal year.

- (b) The following information pertaining to delivery points shall be reported, disaggregated by delivery point type, provided at the Postal Administrative Area and National levels:
 - (1) The number of residential delivery points at the beginning of the reported fiscal year;
 - (2) The number of residential delivery points at the end of the reported fiscal year;
 - (3) The number of business delivery points at the beginning of the reported fiscal year; and
 - (4) The number of business delivery points at the end of the reported fiscal year.

- (c) The following information pertaining to collection boxes shall be reported, provided at the Postal Administrative Area and National levels:
 - (1) The number of collection boxes at the beginning of the reported fiscal year;

- (2) The number of collection boxes at the end of the reported fiscal year;
 - (3) The number of collection boxes removed during the reported fiscal year; and
 - (4) The number of collection boxes added to new locations during the reported fiscal year.
- (d) The average customer wait time in line for retail service shall be reported. Data shall be provided for the beginning of the reported fiscal year and for the close of each successive fiscal quarter at the Postal Administrative Area and National levels.

§ 3055.92 Customer Satisfaction Surveys.

- (a) The report shall include a copy of each type of Customer Satisfaction Survey instrument used in the preceding fiscal year.
- (b) The report shall include information obtained from each type of Customer Satisfaction Survey instrument, including:
 - (1) A description of the customer type targeted by the survey;
 - (2) The number of surveys initiated and the number of surveys received; and
 - (3) Where the question asked is subject to a multiple choice response, the number of responses received for each question, disaggregated by each of the possible responses.

§ 3055.93 Mystery Shopper Program.

- (a) A copy of the National Executive Summary Report that summarizes the information obtained from the Mystery Shopper Program, or any similar report that may supersede the National Executive Summary Report, shall be filed with the Commission on a quarterly basis (within 30 days of the close of each fiscal quarter).
- (b) A copy of each type of Mystery Shopper Program survey instrument used in preparing the report cited in subsection (a) of this section shall be filed with each report.