

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2009

Docket No. ACR2009

CHAIRMAN'S INFORMATION REQUEST NO. 3

(Issued January 29, 2010)

To clarify the basis of the Postal Service's estimates in its Annual Compliance Report, filed December 29, 2009, the Commission requests the Postal Service to provide written responses to the following questions. Answers should be provided to individual questions as soon as they are developed, but no later than February 5, 2010.

1. For all 3-digit ZIP Code pairs, please identify for First-Class Mail by product the number of days-to-deliver upgrades and the number of days-to-deliver downgrades that occurred in FY 2009.
2. For all 3-digit ZIP Code pairs, please identify for Periodicals by product the number of days-to-deliver upgrades and the number of days-to-deliver downgrades that occurred in FY 2009 for:
 - (a) Origin entered (end-to-end);and
 - (b) Dropshipped mail.
3. For all 3-digit ZIP Code pairs, please identify for Standard Mail by product the number of days-to-deliver upgrades and the number of days-to-deliver downgrades that occurred in FY 2009 for:
 - (a) Origin entered (end-to-end); and
 - (b) Dropshipped mail.

4. For all 3-digit ZIP Code pairs, please identify for Package Services mail by product the number of days-to-deliver upgrades and the number of days-to-deliver downgrades that occurred in FY 2009 for:
 - (a) Origin entered (end-to-end); and
 - (b) Dropshipped mail.

5. The FY 2009 Annual Compliance Report states (at 12-13) that both the EXFC and the IMMS on-time performance systems were “expanded from coverage of 463 3-digit ZIP Code areas to 892 3-digit ZIP Code areas” and “on-time performance in the expansion ZIP Codes lagged behind performance in the core 463 ZIP Codes....”
 - (a) Please explain why on-time performance in the expansion ZIP Codes lagged behind performance in the core ZIP Codes.
 - (b) Please identify the actions taken to close the service performance gap between the core ZIP Codes and the expansion ZIP Codes.
 - (c) The FY 2009 ACR states (at 13): “Several new reports were created to assist field managers in closing the performance gap between core and expansion ZIP Codes.”
 - i. Please provide sample copies of the new reports; and
 - ii. Explain how the reports assist field managers in closing service performance gaps.

6. Please provide:
 - (a) A copy of the FY 2009 collection box database in an EXCEL format as of the end of FY 2009;
 - (b) The total number of boxes removed during FY 2009;
 - (c) The percent of the remaining collection boxes for which the last mail pick-up time was advanced, *i.e.*, made earlier; and

- (d) The proportion of collection boxes for which the last mail pick-up time is after:
 - iii. 12:00 noon;
 - iv. 3:00 p.m.;
 - v. 5:00 p.m.; and
 - vi. 7:00 p.m.

- 7. Library Reference USPS-FY09-38 includes two sample surveys. One survey is titled "POS Online Survey Usage and Rating Questions for Market Dominant Products". The other is identified, in part, as the "Large Commercial Business Customer Online Survey...." With respect to these surveys, please
 - (a) Define the term "large commercial business" customer;
 - (b) Define the term "residential/small business" customer; and
 - (c) Explain how medium-sized businesses, *i.e.*, ones that are neither "small" nor "large commercial," are surveyed. If medium-sized businesses are not surveyed, please explain. If they are surveyed, please provide a copy of the applicable sample survey. If not otherwise defined in the survey, please define the businesses being measured by the survey.

- 8. The FY 2009 Annual Compliance Report (at 13) provides annual service performance scores for certain market dominant products. Please provide the annual (or summation of FY 2009 quarters for which data are available) service performance scores for the following:
 - (a) Presort First-Class Mail overnight, two-day and three-day;
 - (b) Standard Mail letters and flats; and
 - (c) Periodicals.

- 9. Please provide an updated copy of the report titled "Emergency Suspensions and Duration (By Area and Duration)" as of the end of the FY 2009 reporting period.

10. Please provide a copy in electronic form of the Postal Service's rules and procedures governing suspension of operations at postal retail facilities.
11. The RIBBS website (<http://ribbs.usps.gov>) reports that, for FY 2009, the Single-Piece First-Class Mail International service performance target was 94 percent. Please confirm that the 94 percent target applies to:
 - (a) Inbound International Overnight, Two-Day and Three-Day mail; and
 - (b) Outbound International Overnight, Two-Day and Three-Day mail.If you are unable to confirm, please provide the correct service performance targets.
12. For each postal area and district, please provide the FY 2009 average wait-time-in-line for retail window service.
13. For FY 2009, please provide the national average wait-time-in-line and the goal for FY 2009.
14. The FY 2009 Annual Compliance Report states (at 13) that “[t]he EXFC system...changed its design to reflect single-piece First-Class Mail volume flows and characteristics....”
 - (a) Please describe in detail the changes that were made to the design.
 - (b) Please explain how the number of seed mailpieces to be entered into each postal district is determined under the new design.

15. The FY 2009 Annual Compliance Report states (at 10-11) that: “[i]n quarter 1 of FY 2009, the San Francisco International Service Center (ISC) ceased processing [] outbound mail.” It also states that in Quarter 4, all outbound mail processing was consolidated in the New York ISC. “Both of these changes were significant modifications to processing and transportation schemes, and had initial negative impacts on the on-time performance of international mail.” Please explain what steps are being taken to correct the negative impacts the consolidations are having on the on-time performance of international mail.

16. The FY 2009 Annual Compliance Report identifies (at 12) the actual annual single-piece First-Class Mail delivery performance scores as (1) Overnight—96.1 percent; (2) Two Day—93.5 percent; and (3) Three Day—90.8 percent. However, the FY 2009 Comprehensive Statement indicates (at 60) that the FY 2009 actual annual single-piece First-Class Mail delivery performance scores are (1) Overnight—96.2 percent; (2) Two Day—93.7 percent; and, Three Day—92.2 percent. Please reconcile these differences and identify the correct performance scores.

17. The FY 2009 Comprehensive Statement indicates (at 60, n.1) that the calculation of Plan and Actual performance scores differ slightly for single-piece First-Class Mail 2-day and 3- to 5-day because the Plan excludes an approximate two-week period.
 - (a) If the Actual and the Plan scores incorporated the same two-week exclusionary period, would the scores be identical? If not, please explain.
 - (b) Does the FY 2009 single-piece First-Class Mail Overnight Plan (96.5 percent) score incorporate the identical two-week exclusionary period as noted for the single-piece First-Class Mail 2-day and 3- to 5-day scores? If not, please explain.

18. Are the terms "Target" scores (<http://ribbs.usps.gov/index.cfm?page=targets>) and "Plan" scores (FY 2009 Comprehensive Statement at 60) synonymous? If not, please explain.
19. The FY 2009 Comprehensive Statement states (at 60): "First-Class Mail International uses external sampling to measure performance for domestic legs of inbound and outbound single-piece letters. It was moved to a unit goal in 2010, so [it] is not included as the corporate goal."
 - (a) Please explain the significance of this change.
 - (b) Will the Postal Service continue to measure inbound and outbound separately?
20. Please provide the spreadsheets which calculate the workyears and the workyear conversion factor found in USPS-FY09-7 Part VIII, Productive Hourly Rates. Include all data sources and data used to compute the workyears and conversion factor.
21. In USPS-LR-FY09-26, File "shp09prc.xls" tab "Sat and HD Adjustment," cell D20 contains a single factor to adjust both High Density Letter and Flat cost, and Saturation Letter and Flat costs. In USPS-LR-FY09-19, File "UDCInputs09.xls" tab "Inputs," cells C11 and C12 contain separate factors to adjust High Density Letter and Flat costs, and Saturation Letter and Flat costs. Please explain the rationale for using one factor in "shp09prc.xls" for mail processing cost and separate factors in "UDCInputs09.xls" for delivery costs.

22. The Postal Service uses several avenues to provide feedback on customer service. Two primary avenues are calls received by the national call centers and written and telephone contacts with postmasters and postal employees. How is the information derived from each of these particular avenues used to evaluate and/or improve customer satisfaction? Please explain and provide examples.
23. Please provide the FY 2009 database containing the scheduled post office box up-times by facility in an EXCEL format.
24. Please provide separately the number of facilities where the post office box up-time was made earlier or later in FY 2009.
25. Please provide a copy of the Annual Report on the Postal Service Plan for FY 2009 and the Report for FY 2008 submitted to Congress pursuant to section 302(c)(4) of the Postal Accountability and Enhancement Act. Pub. L. 109-435, 120 Stat. 3219 (2006).

By the Chairman.

Ruth Y. Goldway