

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

Temporary Waivers from Periodic  
Reporting of Service Performance  
Measurement

Docket No. RM2011-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued October 28, 2010)

To clarify the basis of the request for temporary waivers from periodic reporting of service performance measurement, the Postal Service is requested to provide a written response to the following questions.<sup>1</sup> Answers should be provided on or before November 12, 2010.<sup>2</sup>

1. Please provide a chart for each First-Class Mail product, as defined in the market dominant product list, which identifies (i) the reporting requirements that will be met, (ii) the reporting requirements that will not be met, and (iii) what the Postal Service proposes to report in the interim, for each reporting quarter (and annual report) until compliance with each requirement is achieved. Also, describe any proxy that may be used and indicate whether use of the proxy will be temporary or permanent.

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<sup>1</sup> See United States Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement, October 1, 2010 (Request).

<sup>2</sup> Elements of the questions posed by the Public Representative in Public Representative Motion for Issuance of Information Request, filed October 12, 2010, have been incorporated into this information request.

2. The Postal Service seeks a waiver from quarterly reporting of First-Class Mail Flats at the District level until quarter 2 of FY 2011. Request at 4. The Postal Service does not seek a waiver for other First-Class Mail products, but states that “all other” products of First-Class Mail will begin reporting in quarter 4 of FY 2011. *Id.* at 3. Is it the Postal Service’s intent to seek a waiver from quarterly reporting of “all other” First-Class Mail products until quarter 4 of FY 2011?
  
3. The questions that follow concern the Postal Service’s request to waive quarterly reporting of First-Class Mail Flats at the District level until quarter 2 of FY 2011. The Postal Service states that “the statistical precision for the service performance measures would vary greatly for Flats at the postal district level.” Request at 3.
  - a. What is the current sample size for quarterly reporting at the National, Area, and District levels?
  
  - b. What is the level of statistical precision that can be achieved at this sample size?
  
  - c. What level of statistical precision is the Postal Service attempting to achieve and how did the Postal Service arrive at that level of precision for quarterly reporting at the National, Area, and District levels?
  
  - d. What sample size would be necessary to achieve the desired statistical precision for quarterly reporting at the National, Area, and District levels?
  
  - e. Please provide a copy of any documentation specifying the system requirements presented to the External First-Class Measurement System (EXFC) vendor to modify the EXFC system to provide statistically reliable measurement of First-Class Mail Flats at the District level.

4. Please discuss (in quantitative terms) how including a measurement of non-retail parcels will impact the representativeness of the total First-Class Mail Parcels reporting.
5. Please explain why it is necessary to change the First-Class Mail Parcels (non-retail) start-the-clock from a system based on commercial mailer documentation to one based on the first en-route scan of the mailpiece. Please describe the impact that this change will have on the reliability of an end-to-end service performance measurement. Does the Postal Service intend for the change in start-the-clock to be a permanent or a temporary change? If the intent is for it to be a temporary change, please provide a timeline for implementing the system based on commercial mailer documentation and acceptance.
6. Please provide a chart for each Standard Mail product, as defined in the market dominant product list, which identifies (i) the reporting requirements that will be met, (ii) the reporting requirements that will not be met, and (iii) what the Postal Service proposes to report in the interim, for each reporting quarter (and annual report) until compliance with each requirement is achieved. Also, describe any proxy that may be used and indicate whether use of the proxy will be temporary or permanent. The chart should include information on the Not Flat-Machinables (NFMs)/Parcels product until such time as a decision is made whether or not to move a segment of that product to the competitive product list.
7. The following questions concern the Postal Service's request to waive the reporting of Standard Mail by product until 2012 at the earliest. The Postal Service states that "[u]ntil the requisite level of detail is available for at least 80 percent of the Standard Mail pieces with Full-Service Intelligent Mail® barcodes, the Postal Service proposes to report on Standard Mail service performance" by all letters, flats, and Not Flat-Machinables (NFMs)/Parcels. Request at 8.

- a. Please describe and define “requisite level of detail” referred to in the Request.
  - b. What percent of Standard Mail pieces are currently achieving that level of detail?
  - c. What is the basis for establishing the 80 percent level?
8. The following questions concern the Postal Service’s request to waive the reporting of Standard Mail by product until 2012 at the earliest. The Postal Service states that “approximately half of the Full-Service Intelligent Mail®-barcoded volume uses [Postal Wizard or the Intelligent Mail Range Record (IMR)] documentation methods.” Request at 7. According to the Postal Service, such documentation methods “do not allow Postal Service systems to distinguish each mailpiece’s product category.” (Footnote omitted.) *Id.* at 6.
  - a. Please confirm that approximately half of the Full-Service Intelligent Mail®-barcode (IMb) volume in Standard Mail uses other documentation methods which allow the identification of each mailpiece’s product category.
  - b. Please discuss the capability (and limitations) of temporarily reporting by Standard Mail product based on the half of mail that is entered with documentation which allows the identification of each mailpiece’s product category.

9. Please confirm that the Postal Service is seeking to use all Periodicals as a service performance reporting proxy for Outside County Periodicals (without differentiating between Destination Entry or End-to-End) until 80 percent of the Full-Service IMb data has sufficient information to distinguish whether a mailpiece is Within County or Outside County. If not confirmed, please clarify the Postal Service's proposal.
  
10. The following questions concern the Postal Service's request to waive the reporting of Periodicals by product until 2012 at the earliest. The Postal Service states: "Beginning in Quarter 1 of FY2011, the Postal Service proposes to report on Periodicals service performance in the Destination Entry and End-to-End categories of Periodicals until at least 80 percent of the Full-Service Intelligent Mail® Periodicals data has the information necessary to determine whether each piece is Within County or Outside County." Request at 11.
  - a. Please describe and define "the information necessary to determine whether each piece is Within County or Outside County" that is being referred to.
  - b. What percent of Full-Service Intelligent Mail Barcoded Periodicals currently contains this information?
  - c. What is the basis for establishing the 80 percent level?
  
11. The Postal Service proposes to change the start-the-clock for commercial Package Services parcels from a system based on mailer documentation and acceptance to one based on the first en-route scan of the mailpiece. Request at 13. The Postal Service appears to seek a waiver from reporting until quarter 4 of FY 2011 to implement the new system. Does the Postal Service intend for the

change in start-the-clock to be a permanent or a temporary change? If the intent is for it to be a temporary change, please provide a timeline for implementing the system based on commercial mailer documentation and acceptance.

By the Chairman.

Ruth Y. Goldway