

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Tony L. Hammond; and
Nanci E. Langley

Temporary Waivers from Periodic
Reporting of Service Performance
Measurement

Docket No. RM2011-1

Semi-Permanent Exceptions from
Periodic Reporting of Service
Performance Measurement

Docket No. RM2011-4

Temporary Waivers from Periodic
Reporting of Service Performance
Measurement

Docket No. RM2011-7

ORDER ADDRESSING POSTAL SERVICE MOTION
FOR CLARIFICATION OF ORDER NO. 745

August 4, 2011

I. INTRODUCTION

On June 16, 2011, the Commission issued Order No. 745 providing the Postal Service with direction concerning multiple Postal Service requests for temporary waivers and semi-permanent exceptions from periodic reporting of service performance measurement.¹ On July 12, 2011, the Postal Service filed for clarification of Order No. 745 concerning reporting requirements for presort First-Class Mail Letters, Cards

¹ Order Concerning Temporary Waivers and Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, June 16, 2011 (Order No. 745).

and Flats, and for non-retail Package Services and Standard Mail Parcels.² The Commission grants the Postal Service's Motion and provides additional clarification below.

II. PRESORT FIRST-CLASS MAIL LETTERS, CARDS AND FLATS

The Postal Service sought a temporary waiver from quarterly reporting for presort First-Class Mail to the extent that data are not available as a result of insufficient mailer compliance with Full-Service Intelligent Mail barcode (IMb) requirements.³ With this request, the Postal Service suggested that it provide a status report or request an additional waiver if this issue continues to affect quarterly reporting in FY 2011 quarter 2. The Commission granted the request for waiver, provided additional reporting instructions, and accepted the Postal Service's offer of providing a status report. The Commission did not require the Postal Service to request an additional waiver. Order No. 745 at 39.

The Postal Service's request for clarification notes that Order No. 745 (issued June 16, 2011) was issued after the FY 2010 Annual Compliance Determination (ACD) (issued March 29, 2011).⁴ Motion at 3. The 2010 ACD directed the Postal Service to file monthly progress reports on presort First-Class Mail and Standard Mail users' adoption of the Full-Service IMb. The Postal Service states that it is not clear whether the status report requirement in Order No. 745 should be understood as identical to the monthly IMb progress report mandated in the ACD. *Id.* at 3-4.

² United States Postal Service Motion for Clarification of Order Concerning Temporary Waivers and Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, July 12, 2011 (Motion).

³ Docket No. RM2011-7, United States Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement, February 3, 2011, at 4 (RM2011-7 Request).

⁴ Docket No. ACR2010, FY 2010 Annual Compliance Determination, March 29, 2010 (2010 ACD).

The Commission views the two reporting requirements as separate, requiring the provision of two distinct reports. In the 2010 ACD, the Commission's direction to the Postal Service stated that IMb "[p]articipation rates and compliance must be increased and progress reports made on a monthly basis to the Commission." 2010 ACD at 67. The Postal Service previously provided the Commission with similar information during monthly service performance consultations.

The Postal Service did not specify the form or content of the status report that it proposed in its Docket No. RM2011-7 request. The Commission assumed that the status report would focus on the unavailable data aspect of the Postal Service's waiver request. RM2011-7 Request at 4, 8. For example, the report might identify the Districts with insufficient data to meet the Postal Service's self-imposed data sufficiency thresholds and any actions undertaken to improve the data.

The Postal Service's request for clarification also asks whether the status report requirement is intended to persist beyond the FY 2011 quarter 4 report, at which time such information could be incorporated into the narrative portion of the periodic reports. Motion at 3-4.

The Commission finds it appropriate to include the status report contemplated by Order No. 745 in the narrative portion of the periodic reports. There is no need to file a separate report. The Postal Service should continue providing status reports beyond the FY 2011 quarter 4 report until the data availability issue is resolved.

III. NON-RETAIL PACKAGE SERVICES AND STANDARD MAIL PARCELS

The Postal Service sought two distinct waivers for Package Services service performance measurement reporting. *Id.* at 4.

The Postal Service first sought a temporary waiver from performance reporting for commercial parcel-shaped Package Services mailpieces based on a proposal to

change the start-the-clock to the first en route scan on mail processing equipment.⁵ The Commission did not find the Postal Service's start-the-clock proposal to be an acceptable long-term solution for providing representative service performance measurement. However, the Commission allowed the Postal Service to implement its start-the-clock proposal and report data as they became available using a first en route scan through the FY 2011 quarter 4 report. This would provide additional time to propose and implement an appropriately representative measurement system.⁶

The Postal Service also sought a temporary waiver for service performance reporting for flat-shaped Package Services mailpieces due to the IMb data quality/certification issue. RM2011-7 Request at 3. The Commission had instructed the Postal Service that, beginning with the FY 2011 quarter 4 report, the Postal Service should report all data regardless of whether the data meets the Postal Service's self-imposed data sufficiency thresholds. Order No. 745 at 4.

The Postal Service believes, in its request for clarification, that the reporting instructions described above for non-retail Package Services (and Standard Mail Parcels) might overlap (1) reporting based on the first en route scan through (*i.e.*, up to and including) the FY 2011 quarter 4 report; and (2) reporting of all available data beginning with the FY 2011 quarter 4 report. The Postal Service notes that these instructions are not mutually exclusive, but wishes to confirm that the quarter 4 report should include all available data and be based on the first en route scan (without, necessarily, use of an adjustment factor). Motion at 5.

⁵ Docket No. RM2011-1, United States Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement, October 1, 2010, at 13.

⁶ The Postal Service also proposed changing the parcel-shaped Standard Mail start-the-clock to the first en route scan. The discussion that follows also is applicable to parcel-shaped Standard Mail.

The Commission notes that the separate instructions cited by the Postal Service flow from different Postal Service waiver requests concerning different shaped mail. The Commission confirms, as stated by the Postal Service, that the quarter 4 report should include all available data and be based on the first en route scan (without, necessarily, use of an adjustment factor). The Commission notes that although the first set of instructions concern parcel-shaped Package Services (and Standard Mail), and the second set of instructions concern flat-shaped Package Services, there is no additional burden, or inconsistency, with providing all available data beginning with the FY 2011 quarter 4 report for all Package Services mail. Order No. 745 at 5.

IV. ORDERING PARAGRAPHS

It is ordered:

The United States Postal Service Motion for Clarification of Order Concerning Temporary Waivers and Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, filed July 12, 2011, is granted. Clarification of Order No. 745 is provided in the body of this Order.

By the Commission.

Ruth Ann Abrams
Acting Secretary