

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

STAMP FULFILLMENT SERVICES  
SERVICE PERFORMANCE MEASUREMENT

DOCKET NO. RM2011-14

ADDITIONAL COMMENTS OF DAVID B. POPKIN

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Respectfully submitted,

PRCrm201114COMMENTS2

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The original Commission's Order Number 837 was issued on September 1, 2011, Footnote 6 on page 4 of that Order indicated that the Postal Service's proposed service standards are not the subject of this rulemaking and can best be addressed by interested persons through a response to the Postal Service's upcoming *Federal Register* notice on this subject matter.

On September 28, 2011, the Commission released Order No. 885 ["Order"] extending the deadline and soliciting additional comments on the Postal Service's reporting requirements for the measurements of level of service afforded by the Postal Service in connection with Stamp Fulfillment Services ["SFS"]. This extension was based on the delay of the Postal Service in publishing the request in the *Federal Register*.

This footnote would appear to indicate that interested persons' comments in the proposed service standards could be addressed once the *Federal Register* published the request. The request was published on October 3, 2011 [76FR61052]. However, the *Federal Register* was published as a FINAL RULE with an effective date of November 2, 2011, and not as a Notice of Proposed Rulemaking.

Therefore, it would appear that between the Postal Regulatory Commission and the United States Postal Service the public is being deprived of the ability to comment on

WHAT the proposed standards should be. The Postal Regulatory Commission apparently is only interested in how many decimal places the report should contain and not the service standard itself.

The service standards being proposed by the Postal Service are as follows:

#### Proposed Service Standards

The Postal Service's proposed service standards vary depending upon how a customer's order was received. The Postal Service proposes the following three service standards.

Internet Orders: Non-Philatelic/Non-Custom Less than or equal to 2 business days

Business Level Orders Less than or equal to 5 business days

Philatelic/Custom and all Other Order Sources Less than or equal to 10 business days

#### Proposed Service Goals

For each of the three proposed service standards, the Postal Service proposes a service goal or target of achieving each service standard at least 90 percent of the time.

I have been a regular customer of the SFS for many years now by placing telephone orders with the 1-800-STAMP24 number and my perception is that orders are shipped within a few days. For example, I placed an order on September 14, 2011, and this order was shipped on September 19, 2011, which would be the third business day after placing the order. The order was shipped by Priority Mail and received on September 21, 2011, which matches the two-day Priority Mail service standards for Kansas City to New Jersey.

Based on my observations of the Philatelic Orders over the past years would appear to indicate that the less than or equal to ten business days [two or more calendar weeks] would be met virtually all of the time and therefore not provide any challenge to the Postal Service to improve the service or to provide meaningful reporting to the Commission. It would also allow the Postal Service to degrade its performance and still meet the proposed service standards. The Postal Service should be required to furnish

data on the time taken to fulfill Philatelic Orders, and other SFS orders, over the past few years so that the use of a ten day standard can be evaluated. I made a FOIA request for this data.

The FOIA data that I requested were the records that indicated the actual time for orders placed over the past three years for each of the three categories of orders. The FOIA data that were provided consisted of monthly printouts for most of the three year period for two categories = Postal Orders and for Non-Postal Orders. The data were provided in PDF format and in what appeared to be random order in the number of days shipped. I have manually transferred some of the data to an Excel spreadsheet so that it could be sorted by days shipped and the cumulative order count and cumulative percent provided.

The FOIA response did not explain the difference between what type of categories shown in the proposed rulemaking would appear in each of the two printouts. I contacted the originator of the FOIA response [Khalid Hussain at 816-545-1250] and he indicated that Postal Orders were those that were received over the Internet and Non-Postal Orders were those that were received over the telephone or by fax or mail. He also indicated that there was no data available that would be broken down by the three categories that were being utilized in the proposed rulemaking. How can the Postal Service make a proposal of service standards when they do not have the raw data to show what is presently achieved? Likewise, how can interested parties make meaningful comments without the data? How can the Postal Regulatory Commission make a meaningful evaluation without the data?

An evaluation of the latest data provided in my FOIA request for August 2011 shows that 81% of the total orders processed in August 2011 were Non-Postal Orders and the remaining 19% were Postal Orders. Examination of the Non-Postal Orders shows that the proposed 90% goal would be achieved in slightly over one day and not the ten days being requested by the Postal Service. It is also noted that after ten days, 99.19% of the orders have been shipped – well over the 90% being proposed as a standard.

Similarly for Postal Orders the data show that the proposed 90% goal would be achieved in slightly over three days and not the ten days being requested by the Postal Service. It is also noted that after ten days, 97.52% of the orders have been shipped – well over the 90% being proposed as a standard.

It is also noted that the Postal Service proposes to show the percentage of orders that are 1, 2, and 3 days late. If one examines the reporting that would have existed in August 2011 for the ten day service standard, the total percentage in those three categories [orders shipped in 11, 12, and 13 days] would be 0.30% for Non-Postal Orders and 0.45% for Postal Orders = these are rather insignificant numbers.

The Postal Service has provided a seven page Glossary of Terms dated July 2011. The Glossary does not explain the specific types of orders that are contained in each of the three service standard categories. On pages 6 and 7 it is noted that orders received during system downtime or catastrophic system failures will be excluded from service standard reporting. System downtime and system failures are a part of the processing activity and should not be excluded. This might be compared to a truck getting a flat tire on the trip from the processing center to the local post office and then eliminating any EXFC failure for mail being carried on that trip

It is also noted that pre-orders are excluded from the service standard reporting. The SFS policy used to be, and in all likelihood still is, that if there were any items that had not been released at the time of the order they would be shipped when the final pre-ordered item was released. However, all of the items that had been issued at the time of the order would be shipped routinely. In other words, the original order would be split into two orders. Therefore, there does not appear to be any reason to exclude the first part of the order of released items and that order should be counted.

Based on the above, the Commission should require the Postal Service to provide data for a reasonable period of time broken down into the three categories for the 2, 5, and

10 day service standards showing the percentage of orders that were filled for each shipping date starting with day 0. In this way the Commission and interested parties can evaluate the reasonableness of the proposed standards.

The three different categories for the three different service standards, namely, Internet Orders / Non-Philatelic/Non-Custom, Business Level Orders, and Philatelic/Custom and all Other Order Sources should be expanded and clarified so it will be clear what each category covers.

System downtime and failures should not be excluded from the evaluation process.

I have attached the Postal Service's PDF file for August 2011 and my two Excel spreadsheets derived from that data.