

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REPORT, 2011

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RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
QUESTION 4 OF CHAIRMAN'S INFORMATION REQUEST NO. 5  
(March 12, 2012)

The United States Postal Service hereby provides its response to the above-listed question of Chairman's Information Request No. 5, issued on March 7, 2012. The question is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**Question 4**

In USPS-FY11-29 the Postal Service provides explanations for why service performance targets were not met. Please identify where First-Class Mail Flats service performance results are discussed. If not discussed, please provide an explanation of why the service targets were not met and plans for improving service performance.

**RESPONSE:**

In USPS-FY11-29, the service performance results for First-Class Mail flats are discussed by general reference on page 10, which states that "The Postal Service fell short of the First-Class Mail service goals for all other product and service standard categories during FY 2011, but quarterly trends show steady progress over the course of the year."

First-Class Mail flats performance fluctuated similar to First-Class Mail letters/postcards, in which performance improved between Quarters 1 and 3, as snow storms and fall flooding significantly impacted a vast portion of the country Quarter 2. Service improvement was particularly noticeable in Quarter 3 as overnight performance increased by 0.9 percentage points greater than the previous quarter, 2-Day 2.5 increased by percentage points and 3-5 Day 3.7 increased by percentage points. Quarter 4 scores were compromised by not having sufficient full-Service Intelligent Mail participating mailers to measure the service performance for Presort First-Class Mail flats. Therefore, the flats results use the Single-Piece First-Class Mail flats results as a proxy for Presort First-Class Mail flats performance as described in the Service Performance Measurement Plan, June 2008.

One of the key strategies to improve service performance is to maximize processing on automation. The AFSM100 is designed to streamline flat mail processing

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operations and significantly reduce manual processing. In FY 2011, there were a number of Lean Six Sigma projects to improve machine performance and utilization, reduce errors and foster enhancements.

With ongoing process improvement initiatives within processing operations to remove inefficiencies and improve performance, in FY11 there were several Lean Six Sigma projects focusing on First-Class Flats that quickly identified any process flow, transportation or equipment issues and worked internally with other processing facilities to replicate "Best Practices" and ensure that off-loading is done in a service-responsive manner.