

**USPS-FY12-29**  
**Annual Report on Service Performance for Market Dominant Products**

This narrative report, together with the associated Microsoft Excel files, provides the information required pursuant to 39 C.F.R. Part 3055, Subpart A, for annual reporting of service performance for market dominant products. Service standards for all products remain as established by the Postal Service in 39 C.F.R. Parts 121 and 122, as applicable.<sup>1</sup>

**1. First-Class Mail**

**a. Measurement Description**

**Single-Piece Letters/Postcards** are measured via the External First-Class Measurement System (EXFC) operated independently by an outside entity. EXFC is a rigorous sampling system measuring the time it takes from deposit of mail into a collection box or lobby chute until its delivery to a home or business. Actual transit time is then compared against First-Class Mail service standards.

**Presort Letters/Postcards** are measured through the Intelligent Mail® Accuracy and Performance System (iMAPS). The Postal Service's service performance measurement system uses documented entry time in the postal network to start the clock, and an Intelligent Mail® barcode (IMb™) final processing scan within the distribution network to stop the clock. These data are

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<sup>1</sup> Commission Rule 3055.2(c) appears to require the annual report to restate the service standards for each product. Due to the complex and detailed nature of these service standards, their full inclusion would likely overwhelm the remainder of this report. Therefore, the Postal Service believes it reasonable to incorporate the service standards by citation and affirm their continued validity. Service goals, per Commission Rule 3055.2(d), are included with the product results described herein and in the respective Microsoft Excel files in USPS-FY12-29.

augmented with a “last-mile” factor acquired through third-party reporter scans to develop end-to-end measurement data. Data collected by the Postal Service are provided to an independent, external contractor to calculate service performance and compile the necessary reports. Throughout FY 2013 the measurement was based on data from the Seamless Acceptance and Service Performance (SASP) system, which captures data from all Full Service Intelligent Mail®. Actual transit time is compared against First-Class Mail service standards to determine the percent delivered on time.

**Flats** include both Single-Piece and presorted flats. In FY 2013, 68 percent of First-Class Mail flats were mailed at Single-Piece rates. Single-piece flats are measured through the EXFC system, following the same process as described for Single-Piece letters/postcards. In FY 2013, consistent with the approach outlined in the Postal Service’s June 2008 Service Performance Measurement plan,<sup>2</sup> presort flats performance was estimated using the proxy of Single-Piece flats performance because there were not sufficient data available to make reliable service performance estimates using the Full-Service Intelligent Mail® approach.

**Parcels** included only Single-Piece parcels. Parcels are measured using an internal system, the Product Tracking System (PTS). This system measures transit time from the time of mailing until the time of delivery for parcels for which a customer requested USPS Tracking™ service. Actual transit time is then

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<sup>2</sup> United States Postal Service, Service Performance Measurement, June 2008, *attached to* Order No. 83, Second Notice of Request for Comments on Service Performance Measurement Systems for Market Dominant Products, Docket No. PI2008-1, June 18, 2008.

compared against First-Class Mail service standards. In FY 2013, parcel measurement included only retail parcels mailed over-the-counter at Post Offices because systems were not yet in place to capture the necessary start-the-clock information for commercial pieces mailed in bulk or from other locations.<sup>3</sup>

### **Single-Piece First-Class Mail International Inbound and Outbound**

service performance is measured via the International Mail Measurement System (IMMS) operated by an outside entity. This system measures the length of time it takes for the domestic leg of transit for Single-Piece international First-Class Mail Letters: that is, between the domestic collection point and the outbound International Service Center (ISC) for outbound letters and between the inbound ISC and the domestic delivery point for inbound letters. For Single-Piece First-Class Mail International, the Postal Service uses a rigorous external sampling system modeled after and closely integrated with the EXFC measurement system. Because of the low proportion of Single-Piece First-Class Mail International Flats and Parcels volume, and because the domestic-leg processing is the same for these categories as for their domestic counterparts, the Postal Service's reports rely on the data for their domestic analogues from EXFC (for Flats) and USPS Tracking™ (for Parcels). The results for Letter performance from IMMS are combined with the proxy data for flats and parcels to measure service performance for all inbound and outbound Single-Piece First-Class Mail International. Transit time is compared against First-Class Mail

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<sup>3</sup> See United States Postal Service Request for Temporary Waivers from Periodic Reporting of Service Performance Measurement, Docket No. RM2011-1, October 1, 2010, at 4-6.

service standards due to the comparability of domestic-leg processing with that of First-Class Mail.

**b. Results**

First-Class Mail	FY 2013	
	Target	Percent On-Time
<b>Single-Piece Letters/Postcards</b>		
Overnight	96.70	96.8
Two-Day	95.10	96.0
Three-To-Five-Day	95.00	92.5
<b>Presort Letters/Postcards</b>		
Overnight	96.70	97.3
Two-Day	95.10	97.2
Three-To-Five-Day	95.00	95.4
<b>Flats</b>		
Overnight	96.70	86.6
Two-Day	95.10	84.4
Three-To-Five-Day	95.00	77.6
<b>Parcels</b>		
Overnight	96.70	89.8
Two-Day	95.10	89.1
Three-To-Five-Day	95.00	88.8
<b>Outbound Single-Piece First-Class Mail International</b>		
Overnight	-	94.3
Two-Day	-	92.7
Three-To-Five-Day	-	87.5
Combined	94.0	88.9
<b>Inbound Single-Piece First-Class Mail International</b>		
Overnight	-	92.3
Two-Day	-	90.7
Three-To-Five-Day	-	86.5
Combined	94.0	88.0

**c. System Coverage**

The EXFC system continuously tests service in 892 three-digit ZIP Code areas between which virtually all domestic Single-Piece First-Class Mail originates and destines. The measurement system operates continuously throughout the year and measures Single-Piece letters, cards, and flats having a mixture of characteristics similar to actual mail.

The iMAPS system is designed to measure virtually all three-digit ZIP Code areas in the United States. During FY 2013, all eligible ZIP Code areas were measured as destinations. The total mail volume qualifying for measurement was approximately 37 percent of the total presort First-Class Mail letters and cards.

The IMMS system tests service in the same 892 three-digit ZIP Code areas as EXFC. IMMS focuses on the transit time for the domestic leg of international mail. The system employs a limited number of international locations to serve as the origin for inbound mail and the destination for outbound mail so that the mail passes through the International Service Center gateways where service measurement begins for inbound mail and ends for outbound mail.

The PTS system measures retail parcels with USPS Tracking™ service for which there was a valid start-the-clock and stop-the-clock event. The measurement system includes pieces to and from virtually all three-digit ZIP Code areas in the United States. Because PTS can measure virtually any item with USPS Tracking™, the characteristics of the mail vary widely.

**d. Statistical Validity of Measurement Results**

In FY 2013, the EXFC system's statistical design included both Single-Piece First-Class Mail letters/postcards and Single-Piece First-Class Mail flats. The maximum statistical margin of error for the performance estimate of First-Class Mail letters/postcards was +/- 2.3 percent with a 95-percent confidence level at the district and service standard level each quarter in FY 2013. The

majority of districts had margins of error of +/-1.5 percent or lower for all service standards each quarter.

The iMAPS system is designed to generate quarterly service performance estimates for Presort Single-Piece letters/postcards with a margin of error of less than +/- 1.0 percent with 95 percent confidence level for each district and service standard combination. The margin of error levels met the target level for each district and service standard combination for nearly all cases for which data were available. However, there were margins as large as +/-1.4 for certain district and service standard combinations in some quarters.

Parcels results are based on all the measurable retail First-Class Mail parcels with USPS Tracking™ in the PTS system. In FY 2013, measurement included 30.3 million parcels, representing approximately 4 percent of total First-Class Mail parcels.

The IMMS system is designed to generate a service performance estimate for Single-Piece First-Class Mail International Letters with a margin of error of +/- 3.0 percent with a 95-percent confidence level for each postal area for both inbound and outbound performance estimates.

**e. Descriptions and Justifications of Proxies**

In FY 2013, there was not sufficient representation of presort First-Class Mail in Full Service Intelligent Mail® to measure the service performance for Presort First-Class Mail flats, which represented approximately 1.5 percent of total Presort First-Class Mail. Hence, Single-Piece First-Class Mail flats results were used as a proxy for the entire First-Class Mail flats category.

In FY 2013, the First-Class Mail parcels measurement was based solely on Single-Piece retail parcels due to the lack of a reliable method for starting the clock for measurement of commercial First-Class Mail parcels. The Postal Service considers retail parcels with USPS Tracking™ to be a reliable proxy measurement for the entire First-Class Mail parcels product category because the parcels travel through the same network whether mailed by retail or commercial customers.

The performance for domestic Single-Piece First-Class Mail flats (using the data from EXFC) and performance for domestic Single-Piece parcels (as measured end-to-end on retail parcels for which customers have purchased USPS Tracking™) serve as proxies for the service performance of Single-Piece First-Class Mail International inbound and outbound flats and parcels. This approach is valid since the processing of Single-Piece First-Class Mail International flats and parcels -- during either outbound transit from domestic origin to designated International Service Centers (ISC) or inbound transit from designated ISC to the domestic delivery address -- is the same as for domestic Single-Piece First-Class Mail flats and parcels. The Postal Service's service standards are also the same.

**f. Exceptions**

No semi-permanent exceptions have been granted or requested for annual reporting of First-Class Mail.

**g. Changes in the Reported Fiscal Year**

There were no methodological changes to the measurement systems for First-Class Mail in FY 2013.

**h. Reasons for Service Targets Not Being Met and Mitigation Plans**

For Single-Piece and Presort First-Class letters and postcards which comprised 96 percent of all First-Class Mail, the Postal Service exceeded its service targets in all service standard categories in FY 2013 except Three-To-Five-Day Single-Piece letters/cards.

Three-To-Five Day Single-Piece mail utilizes our air transportation network, which is most susceptible to impact from weather. During Quarters 1 & 2 in Fiscal Year 2013, Hurricane Sandy and Winter Storm Nemo paralyzed the East Coast and Northeast corridor. Three-To-Five Day Single-Piece FCM showed improvements during Quarters 3 & 4 but was not enough to make up from the impacts to these respective storms.

While First-Class Flats and Parcels did not meet their applicable service standards, they continued to show steady improvement over all 4 Quarters. The Postal Service's continued use of root cause diagnostic tools will allow operating managers to improve processing and transportation flows, thereby increasing service performance.

**2. Standard Mail**

**a. Measurement Description**

For Standard Mail letters and non-saturation flats, the Postal Service's service performance measurement system uses documented entry time in the postal network to start the clock, and an IMb final processing scan within the distribution network to stop the clock. These data are augmented with a "last-mile" factor acquired through third-party reporter scans to develop end-to-end

measurement data. Data collected by the Postal Service are provided to an independent, external contractor to calculate service performance and compile the necessary reports. In FY 2013, the measurement was based on data from the Seamless Acceptance and Service Performance (SASP) system, which captures data from all Full Service Intelligent Mail®. These data were provided to an external contractor responsible for the IMAPS system to aggregate the measurement results, calculate the last mile factor, and compile the final measurement reports. Actual transit time is compared against Standard Mail service standards to determine the percent delivered on time and the service variance.

The service performance measure for destination delivery unit (DDU)-entry saturation flats involves the identification of major weekly saturation mailings within delivery units. Delivery of these mailings is captured with a scan made by carriers at the completion of delivery of all pieces on the route. Service performance is measured by comparing the carrier reported delivery date to the end date of the mailer requested in-home window to determine the percent delivered on time. Data from anonymous households reporting the receipt of these saturation mailings are used to validate the accuracy of the carrier scans.

In accordance with the implementation plan for periodic reporting submitted August 1, 2011, the Standard Mail results are being reported at the product level for all pieces for which the product information is available in the electronic documentation provided by Full Service mailers. For those measurable pieces for which the exact product category is unknown, the results will be

captured in one of the two additional categories, Mixed Product Letters and Mixed Product Flats.

**b. Results**

Standard Mail	FY 2013	
	Target	Percent On-Time
High Density and Saturation Letters	90.0	90.8
High Density and Saturation Flats/Parcels	90.0	87.0
Carrier Route	90.0	79.7
Letters	90.0	85.9
Flats	90.0	76.9
Parcels	90.0	98.7
Mixed Product Letters	90.0	86.5
Mixed Product Flats	90.0	80.2

**c. Sample Coverage**

The iMAPS system is designed to measure virtually all three-digit ZIP Code areas in the United States continuously throughout the year. The total mail volume available for measurement in FY 2013 was approximately 24 percent of all Standard Mail, with 97 percent of measured mail being Destination Entry. In FY 2013 overall Standard Mail was 86 percent destination entry and 14 percent end-to-end. In the Parcels category, only DDU entry parcels were included in measurement during FY 2013 and there was no measured volume after Quarter 2. DDU entry parcels represented approximately 18 percent of all Standard Mail parcels. Standard parcels made up less than 0.1 percent of all Standard Mail in FY 2013.

**d. Statistical Validity of Measurement Results**

The iMAPS system is designed to generate a service performance estimate for Destination Entry and End-to-End Standard Mail with a margin of

error of not greater than +/- 1.0 percent with a 95-percent confidence level at the district level, shape, and entry type level. The reporting requirements changed to require reporting at the product level, by entry type and for service standard groups within that group. Due to the limited measurable volume available for some products, the actual margin of error was much higher than +/-1 percent in some cases, with no data available for some product, service standard and district combinations. The quarterly reports include the margins of error.

**e. Descriptions and Justifications of Proxies**

There are no proxies used in the Standard Mail results.

**f. Exceptions**

No semi-permanent exceptions have been granted for Standard Mail, and no exception requests are currently pending. In addition to providing the results at the product level for the pieces for which the product information is available, there are two additional sets of results provided, representing Standard Mail letters and flats for which the documentation provided by the mailers did not allow for categorization of each mail piece into a product category. In FY2013, 19 percent of measurable Standard letters and 5 percent of Full Service Intelligent Mail® flats fell into these mixed product categories. These levels have dropped significantly from FY 2012 when 57 percent of Standard letters and 70 percent of Standard flats fell into the mixed product categories.

**g. Changes in the Reported Fiscal Year**

There were no methodological changes to measurement in FY 2013.

**h. Reasons for Service Standards Not Being Met and Mitigation Plans**

Utilizing the work-in-process diagnostics for Standard Mail, the Postal Service continued steady improvements in Standard Mail service performance. Standard Mail performance for all four Quarters was 79.68, 84.62, 88.27 and 88.37 respectively. The Postal Service continues to drive the increase service performance of Standard Mail with the use of diagnostic tools as well as timely start-the-clock scans to ensure accurate measurement.

High Density and Saturation Flats/Parcels, Carrier Route, Mixed Products Letters, and Mixed Products Flats all demonstrated continuous improvement in all quarters during FY 2013. High Density and Saturation Flats/Parcels on-time performance improved from 86.5 percent on-time in Quarter 1 to exceeding target at 92.8 percent on-time in Quarter 4.

Mixed Products Letters also improved throughout the years, meeting and exceeding target performance at 90.0 percent and 90.4 percent in Quarters 3 and 4 respectively. Standard Carrier Route on-time performance also improved from 69.8 percent on-time in Quarter 1 to 84.0 percent on-time in Quarter 4. The use of diagnostic tools as well as timely start-the-clock scans to ensure accurate measurement will continue to increase this performance.

**3. Periodicals**

**a. Measurement Description**

For Periodicals, the Postal Service's service performance measurement system uses documented entry time in the postal network to start the clock, and

an IMb final processing scan within the distribution network to stop the clock. These data are augmented with a “last-mile” factor acquired through third-party reporter scans to develop end-to-end measurement data. Data collected by the Postal Service are provided to an independent, external contractor to calculate service performance and compile the necessary reports. In FY 2013, the measurement was based on data from the Seamless Acceptance and Service Performance (SASP) system, which captures data from all Full Service Intelligent Mail®. This data was provided to an external contractor responsible for the IMAPS system, aggregating the measurement results and calculating the last mile factor and compiling the final measurement results. Actual transit time is compared against Periodical service standards to determine the percent delivered on time and the service variance.

**b. Results**

Periodicals	FY 2013	
	Target	Percent On-Time
<b>In-County</b>	91.0	82.0
<b>Outside County</b>	91.0	82.1

**c. Sample Coverage**

Measurement of periodicals encompassed virtually all 3-Digit ZIP Code areas as destinations. Approximately 18 percent of all Periodicals were included in measurement in FY 2013.

**d. Statistical Validity of Measurement Results**

The iMAPS system is designed to generate a service performance estimate for Destination Entry and End-to-End Periodicals with a margin of error of not greater than +/- 1.0 percent with a 95-percent confidence level at the area level.

**e. Descriptions and Justifications of Proxies**

The performance of all Periodicals is currently being used as a proxy for In-County Periodicals service performance.<sup>4</sup> The use of a proxy for In-County Periodicals performance is necessary because of the nature of In-County Periodicals mailers' relatively small size and scope, which make them far less likely than Outside County Periodicals mailers to be capable of making the transition to barcoding or mail-preparation systems that enable product-level performance measurement. Most of this mail receives manual postal processing, rather than being run on automated sorting equipment.

**f. Exceptions**

No semi-permanent exceptions have been granted for Periodicals.

**g. Changes in the Reported Fiscal Year**

There were no significant methodology changes for Periodicals measurement in FY 2013.

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<sup>4</sup> See PRC Order No. 531, Order Concerning Postal Service Request for Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, Docket No. RM2010-11, September 3, 2010, at 11 ("The Commission suggests that the Postal Service look into the feasibility of using all Periodicals as a proxy for reporting In-County Periodicals (as indicated by the Postal Service) [.]")

**h. Reasons for Service Standards Not Being Met and Mitigation Plans**

Outside County Periodicals performance was 82.1 percent on-time in FY 2013, versus a service goal of 91 percent on-time. Service improved from FY 2012 by more than 13 points.

Overall, Periodicals performance was 81.98 percent on-time in FY 2013, versus a service goal of 91 percent on-time.

In FY 2013, the Postal Service increased the use of its diagnostic tool such as Work-in-Process. Throughout the Fiscal Year, the Postal Service consistently improved Periodical service performance over all quarters. Periodical service performance in Quarter 4 achieved 83.96 percent on-time. Use of automation and diagnostics is expected to continue improved service for Periodicals.

**4. Package Services**

**a. Measurement Description**

The Package Services class is comprised primarily of parcels and mainly used to ship merchandise packages, but it also includes some catalogs and other bound printed items that are too heavy to be sent as Standard Mail. Package Services is used by both commercial mailers and by households, and has products and mail categories designed to meet the needs of each group of mailers. The Package Services mail class has five products.

**Single-Piece Parcel Post** can be used to send any mailable matter that is not required to be sent by First-Class Mail or to be entered as Periodicals.

Service is measured using an internal system, the Product Tracking System (PTS). This system measures transit time from the time of mailing until the time of delivery for Parcel Post items for which a customer requested USPS Tracking™ service. Actual transit time is then compared against Package Services service standards. Single-Piece Parcel Post was moved to competitive product category in January 2013; results shown for FY 2013 include only the portion of the year for which the product was categorized as market dominant.

**Media Mail** is a content-restricted product. By law, its content is restricted to books, noncommercial films, computer-readable media, and similar media items that typically have educational, cultural, scientific or informational value. This product is used by businesses and by the general public to send books and eligible media or other permitted items for business, personal, educational, or literary purposes. Media Mail also has a preferred-price category, Library Mail. Libraries, educational institutions, and certain other nonprofit organizations use Library Mail to send eligible items to their patrons. Service is measured using PTS in the same manner as Single-Piece Parcel Post.

**Bound Printed Matter Parcels** is a commercial product that is used by businesses to send books, directories, and large catalogs that are too heavy to be sent using Standard Mail and too rigid or too thick to qualify as BPM Flats.

**Bound Printed Matter Flats** is a commercial product that is used by businesses to send large catalogs and similar flat-shaped flexible items that are too heavy to be sent using Standard Mail. Service measurement is performed through the Intelligent Mail® Accuracy and Performance System (iMAPS). The

Postal Service's service performance measurement system uses documented arrival time at a designated postal facility to start the clock and an IMb scan by an external, third-party reporter to stop the clock. Mailpiece tracking from IMb™ in-process scans is used in conjunction with the external data to extrapolate results for this entire volume of mail. Data collected by the Postal Service are provided to an independent, external contractor to calculate service measurement and compile the necessary reports.

**Inbound Surface Parcel Post (at UPU Rates)** consists of items weighing between 4 and 70 pounds that originate in foreign countries and are transported to the United States by surface. This category comprises parcels from most foreign countries, which pay delivery charges set by the Postal Operations Council of the Universal Postal Union.<sup>5</sup> Service performance for the domestic leg of this product – the only portion of transit performed by the Postal Service – is estimated using the service performance of Single-Piece Parcel Post as a proxy. With the move of Single-Piece Parcel Post to the Standard Post competitive product category, Standard Post scores continued to serve as the proxy following the shift.

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<sup>5</sup> Inbound international parcels for which foreign postal operators pay bilaterally negotiated rates have been classified as components of competitive negotiated service agreements and are not subject to the service performance measurement and reporting obligations for market dominant products.

**b. Results**

Package Services	FY 2013	
	Target	Percent On-Time
Single-Piece Parcel Post	90.0	85.0
Bound Printed Matter Flats	90.0	62.6
Bound Printed Matter Parcels	90.0	98.4
Media Mail/Library Mail	90.0	93.3
Inbound Surface Parcel Post (at UPU rates)	90.0	87.8

**c. Sample Coverage**

The PTS system measures service to and from virtually all three-digit ZIP Code areas in which Package Services volume originates or destinate. Both retail and commercial mail Package Services parcels were included in measurement in FY 2013.

The iMAPS system is designed to measure virtually all three-digit ZIP Code areas in the United States. Destination Entry Bound Printed Matter Flats were available for measurement in all quarters of FY 2013. End-to-End Bound Printed Matter Flats were available for measurement only in Quarters 3 and 4.

**d. Statistical Validity of Measurement Results**

Package Services results are based on retail and commercial Package Services parcels with USPS Tracking™ in the PTS system. In FY 2013, the volume measured represented approximately 36 percent of total Single-Piece Parcel Post, 39 percent of Media Mail/Library Mail, and 2 percent of Bound Printed Matter Parcels.

The iMAPS system is designed to generate a service performance estimate for Bound Printed Matter Flats with a margin of error of +/- 1.0 percent with a 95-percent confidence level at the district level each quarter. The limited

data available for measurement in FY2013 resulted in maximum ranges of +/-5.2 percent for combined Bound Printed Matter Flats for some districts in some quarters. Approximately 4 percent of total Bound Printed Matter Flats volume was measured in FY 2013.

**e. Descriptions and Justifications of Proxies**

The Postal Service considers retail Single-Piece Parcel Post with USPS Tracking™ to be a reliable proxy for Inbound Surface Parcels at UPU Rates because these two types of mail travel through the same network within the United States and have the same basic characteristics and service standards.<sup>6</sup>

**f. Exceptions**

No semi-permanent exceptions have been granted for Package Services products, and no exception requests are currently pending.

**g. Changes in the Reported Fiscal Year**

There were no significant changes to the measurement approach for Package Services during the year other than the move of Single-Piece Parcel Post to the competitive product category.

**h. Reasons for Service Standards Not Being Met and Mitigation Plans**

Service performance for Media Mail/Library Mail and Bound Printed Matter Parcels exceeded the targets in FY 2013. The Postal Service set for itself aggressive on-time target of 90 percent for all Package Service products. For Bound Printed Matter, FY 2013 was the second full year

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<sup>6</sup> See Order No. 531 at 12 (describing this as “what appears to be a reasonable proxy”).

using data from the Full Service Intelligent Mail system for service measurement. The Postal Service achieved a high score of 72.10 during Quarter 4. This denotes 17.8 percentage point improvement over the end of FY12. As additional mailers adopt the Full Service Intelligent Mail, the Postal Service will be able to utilize improved diagnostics to identify specific problems with service performance.

## **5. Special Services**

### **a. Measurement Description**

In FY 2013, service performance was measured for the following Special Services:

Ancillary Services include Certified Mail, Return Receipt (both electronic and green card), Return Receipt for Merchandise, USPS Tracking™, Insurance, electronic Address Correction Service, Signature Confirmation, Registered Mail, and Collect on Delivery. Measurement for all Ancillary Services except green card Return Receipt occurs through internal systems. Certified Mail, electronic Return Receipt, electronic Return Receipt for Merchandise, USPS Tracking™, Signature Confirmation, Registered Mail, and Collect on Delivery are all delivery-related services and are measured against a service standard that the delivery information must be made available to the customer within 24 hours of the delivery-related scan event. Similarly, electronic Address Correction Service is measured against a service standard that address correction information should be made available to the sender no later than 24 hours after the time of the scan

of the mailpiece by the Postal Automation Redirection System. Service performance on Insurance claims handling is measured against a service standard of processing the claim within 30 days of receipt of all information necessary from the claimant. Green card Return Receipt was measured with an external system similar to the EXFC system. Service measurement is based on the proper handling of the green cards, including obtaining signatures, proper handling of unclaimed items, and the timely return of the green card to the sender.

The International Ancillary Services measured include only inbound international Registered Mail items. Service is measured in the same manner and using the same service standard as for domestic Registered Mail.

For Address List Services, the Postal Service measures the number of days between a customer's request for an address list service and transmission of the corrected address information to the customer. This measurement is compared against the service standard.

For Confirm®, the elapsed time from a mailpiece scan on mail processing equipment to when the data are available to customers is compared against the service standard.

For Money Order Inquiries, the number of days between the customer's inquiry and transmission of a response to the customer is compared against the service standard.

Post Office Box Service is measured with an internal system that compares the time that mail was available for pickup each day against the publicly posted “up-time.”

Stamp Fulfillment Services were measured internally based on orders entered into the National Customer Management System measuring the time from order to fulfillment, when the order is placed into a manifest for placement into the mail stream.

**b. Results**

Special Services	FY 2013	
	Target	Percent On-Time
Ancillary Services	90.0	91.4
International Ancillary Services	90.0	99.3
Address List Services	90.0	100.0
Caller Services	-	NR
Change of Address Credit Card Authentication	-	NR
Confirm®	90.0	99.7
International Reply Coupon Service	-	NR
International Business Reply Mail Service	-	NR
Money Orders	90.0	99.2
Post Office Box Service	90.0	90.9
Customized Postage	-	NR
Stamp Fulfillment Services	90.0	99.5

NR indicates not required due to semi-permanent exception from reporting.

**c. Sample Coverage**

Service measurement for all Special Services measured through internal systems represents a census of all available qualifying data. Thus, coverage includes items sent to and from virtually all ZIP Codes.

The green card Return Receipt measurement system tested service to approximately 250 three-digit ZIP Code areas. The ZIP Code areas were selected to provide coverage for all postal districts.

Aggregate results for Ancillary Services have been compiled by weighting service performance for each service by the proportion of revenue represented by the product. Weighting is necessary due to the different measurement approaches being employed.

**d. Statistical Validity of Measurement Results**

The green card Return Receipt measurement system was designed to produce quarterly service estimates with a range no wider than +/- 4.0 percent at the 95-percent confidence level for each postal area.

Service measurement for all Special Services measured through internal systems represents a census of all available qualifying data.

**e. Descriptions and Justifications of Proxies**

There are no proxy measurements being used for Special Services.

**f. Exceptions**

In FY 2013, the following Special Services were not included in measurement because they have been granted semi-permanent exceptions from reporting: hard-copy Address Correction Service, Applications and Mailing Permits, Business Reply Mail, Bulk Parcel Return Service, Certificate of Mailing, Merchandise Return Service, Parcel Airlift, Restricted Delivery, Shipper-Paid Forwarding, Special Handling, Stamped Envelopes, Stamped Cards, Premium Stamped Stationery, Premium Stamped Cards, International Certificate of Mailing, outbound International Registered Mail, International Return Receipt, International Restricted Delivery, International Insurance in conjunction with Inbound Surface Parcel Post (at UPU Rates), Customs Clearance and Delivery

Fee, Caller Service, Change of Address Credit Card Authorization, International Reply Coupon Service, International Business Reply Mail, and Money Orders (in regard to sales, not inquiries).<sup>7</sup> The rationale for the exceptions from reporting for all products remains valid, as stated in the original requests.

**g. Changes in the Reported Fiscal Year**

Service performance results for Confirm<sup>®</sup> represent performance for Quarter 1 only. After that time, Confirm<sup>®</sup> was no longer classified as a product.

**h. Reasons for Service Standards Not Being Met and Mitigation Plans**

All Special Services achieved the established service targets at the reporting level required in this report

**6. Negotiated Service Agreements**

The Commission has granted semi-permanent exceptions for all market dominant negotiated service agreements that were active during FY 2013 because the mail items subject to these agreements are already included in the measurement of other products.<sup>8</sup>

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<sup>7</sup> Order No. 531 at 12-22; PRC Order No. 570, Order Approving Semi-Permanent Exception from Periodic Reporting of Service Performance Measurement for Applications and Mailing Permits, Docket No. RM2010-14, October 27, 2010, at 4.

<sup>8</sup> See, e.g., Order No. 531 at 23.