

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

ANNUAL COMPLIANCE REVIEW, 2014

Docket No. ACR2014

**UNITED STATES POSTAL SERVICE RESPONSES TO
QUESTIONS 1-5, 8 AND 9 OF CHAIRMAN'S INFORMATION REQUEST NO. 5**
(February 10, 2015)

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 5, issued on February 3, 2015. Each question is stated verbatim and followed by the response. The responses to Questions 6 and 7 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

Eric P. Koetting
James M. Mecone

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
February 10, 2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

1. Please refer to Library Reference USPS-FY14-38, file “USPS-FY14-38 Preface.pdf,” December 29, 2014 (Preface). Section I.A Purpose and Content lists five survey instruments the Postal Service used to develop customer experience measures for fiscal year 2014 (Survey Instruments). Under Section I.C Methodology, there is a Customer Insights (CI) table showing the multi-channel customer data sources along with the associated weighting percentages used to calculate the CI composite metric. The CI table is reproduced below as Table 1.

Table 1

CUSTOMER INSIGHTS (CI)	Weight
BSN - (Business Service Network)	40.00%
Representative - Customer Satisfaction	
POS - (Point of Sale)	20.00%
Retail - Overall Satisfaction	
Delivery - (Receiving)	20.00%
Carrier - Overall Satisfaction	
CCC - (Customer Care Center)	20.00%
Live Agent - Overall Customer Satisfaction	

- a. Which questions from the Survey Instruments were used to create the CI composite metric?
- b. Please provide an electronic worksheet showing the steps for calculating the CI composite metric. Please include the disaggregated survey question summary statistics from the Survey Instruments and the calculation components used.
- c. Does the “Delivery” customer channel source listed in the “Customer Insights (CI)” column of Table 1 consolidate the residential and small/medium business delivery survey data? If so, please provide the information requested in question 1.b, above, in a disaggregated form. Please also explain the rationale for consolidating the residential and small/medium business delivery survey data.
- d. For each CI customer channel source listed in the “Customer Insights (CI)” column of Table 1, please explain the rationale for the weight percentage values in the “Weight” column of Table 1.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

RESPONSE:

a.

BSN – Question 1, “How satisfied are you with the OVERALL service provided during this interaction?”

POS – Question 1, “Thinking about this visit to the Post Office, overall, how satisfied were you?”

Delivery – Question 1, “Just thinking about your overall experience with the mail or packages you recently RECEIVED, how satisfied are you with USPS performance”

CCC – Question 6, “Now, please think only about the agent who handled your call today, How would you rate the agents overall quality of service?”

b. Please see the Calculating CI Metric tab of the file “Calculation Worksheet.xlsx” in USPS-FY14-47.

c. Yes, the “Delivery” customer channel source listed consolidates the residential and small/medium business survey. The rationale behind consolidating the score in a weighted manner was to provide simplified reporting on this metric. The independent scores are available for individual diagnostic reporting. Please refer to the Delivery_RES and Delivery_SMB tabs of the file “CI Question Response Counts Fy2014.xlsx” file in USPS-FY14-47.

Please refer to the Delivery tab of the file “Calculation Worksheet.xlsx” in USPS-FY14-47 for the formulas used to derive the score. Please refer to the Delivery_RES and Delivery_SMB tabs of the file “CI Question Response Counts Fy2014.xlsx” in USPS-FY14-47 for the data.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

RESPONSE TO QUESTION 1 (continued)

d. The associated weights depicted in the Table 1 were determined based primarily on a balanced representation of the major customer segments.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

2. USPS-FY14-38, Excel file “CI Question Response Counts FY2014.xlsx” contains the summary experience data generated from using the Survey Instruments. Under Section I.C of the Preface, there is a Survey Instruments table reproduced below as Table 2.

Table 2

Survey Type	Time Period*	Number of Surveys Initiated	Number of Surveys Received
Business Service Network (BSN)	Nov-Sept FY14	10,794	1,904
Point of Sale (POS)	Dec-Sept FY14	1,049,104,781	173,290
Delivery (Residential)	Aug-Sept FY14	470,631	7,283
Delivery (Small/Medium Business)	Aug-Sept FY14	800,017	9,489
Customer Care Center (CCC)	June-Sept FY14	202,227	11,362

* Time Period – Time period of sample.

- a. Please refer to the time periods listed in the “Time Period” column of Table 2. Please specify a calendar year for each month listed. *E.g.*, “Nov-Sept FY14” would be “November 2013 to September 2014.”
- b. Please refer to the table on page 39 of USPS-FY14-17. That table lists five Customer Service measures: Customer Insights, Business Service Network, Point of Sale, Delivery, and Customer Care Center (Customer Service Measures). For each Customer Service measure, please provide the Survey Instrument questions that were used to develop that measure.
- c. For each Customer Service Measure, please provide an electronic worksheet showing the steps for calculating the methodology. Please include the disaggregated survey question summary statistics and the calculation components used.
- d. Does the “Delivery” Customer Service Measure consolidate the residential and small/medium business survey data? If so, please provide the information requested in question 2.c, above, in a disaggregated form. Please also explain the rationale for consolidating residential and small/medium business survey data.
- e. For each Customer Service Measure, instead of “Baseline,” please provide the numerical customer experience measure value in the “FY2014 Actual” and “FY2014 Target” columns. If they cannot be provided, please explain why those values cannot be provided.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

f. For each Customer Service Measure, please explain how the target in the "FY2015 Target" column was set.

RESPONSE:

a.

Survey Type	Time Period*	Number of Surveys Initiated	Number of Surveys Received
Business Service Network (BSN)	November 2013 - September 2014	10,794	1,904
Point of Sale (POS)	December 2013 - September 2014	1,049,104,781	173,290
Delivery (Residential)	August 2014 - September 2014	470,631	7,283
Delivery (Small/Medium Business)	August 2014 - September 2014	800,017	9,489
Customer Care Center (CCC)	June 2014 - September 2014	202,227	11,362

b. CI is a single measurement which is comprised of four elements. Please refer to the following files in USPS-FY14-47:

Survey Instrument	File Name
BSN	BSN – USPS FY14 BSN Web Survey.pdf
POS	POS – USPS FY14 POS Survey.pdf
Delivery (Residential)	Delivery – USPS FY14 Residential Delivery Survey.pdf
Delivery (SMB)	Delivery – USPS FY14 Small Business Delivery.pdf
CCC	CCC – USPS FY14 CCC Web Survey.pdf

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

RESPONSE TO QUESTION 2 (continued)

c. Please refer to the Delivery, POS, BSN, CCC tabs of file “Calculation Worksheet.xlsx” in USPS-FY14-47 for the formulas used to derive the score. Please refer to the Delivery_RES, Delivery_SMB, POS, BSN, CCC-Live Agent tabs of the file “CI Question Response Counts Fy2014.xlsx” in USPS-FY14-47 for the data.

d. Yes, the “Delivery” Customer Service Measure consolidates the residential and small/medium business survey. The rationale behind consolidating the score in a weighted manner was to provide simplified reporting on this metric. The independent scores are available for individual diagnostic reporting. Please refer to the Delivery_RES and Delivery_SMB tabs of the file “CI Question Response Counts Fy2014.xlsx” in USPS-FY14-47 for the data.

e. No target was provided since FY 14 was a development year.

Measure	FY2014 Actual	FY2014 Target
Customer Insights	84.65	NA
BSN -Business Service Network	94.05	NA
POS – Point of Sale	81.59	NA
Delivery	79.55	NA
CCC -Customer Care Center	74.00	NA

f. The associated Target was determined by applying the revised National Performance Assessment scale.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

3. For each Survey Instrument, please provide the disaggregated survey responses for individual respondents and the lowest geographic indicator for the individual respondent survey record (e.g., the POS survey has a ZIP+4 code field). Where applicable, please include any respondent survey record weight used to calculate the CI measure.

RESPONSE:

Measure	Level of Detail
BSN	5 Digit Zip Code
POS	9 Digit Zip Code
Delivery	5 Digit Zip Code
CCC	National

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

4. The Survey Instruments include delivery surveys for residential and small/medium business customers, but not for large business customers. Please explain why a delivery survey for large business customers was not included. In the response, please describe all other data collected by the Postal Service that are used to assess and monitor large business customers' experiences.

RESPONSE:

The BSN survey instrument, which appears in the file "BSN – USPS FY14 BSN Web Survey.pdf" included in USPS-FY14-38, encompasses our large business customers.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

5. The FY 2014 Report and FY 2015 Plan describe the Point of Sale, Business Service Network, and Customer Care Center surveys as “event-based.” USPS-FY14-17 at 39-40. The Delivery surveys are described as “relational/event-based.” *Id.*
- a. Please explain the difference between “event-based” and “relational/event-based.”
 - b. For each Survey Instrument, please specify the events that would cause the Postal Service to distribute or attempt to distribute such survey.
 - c. Please discuss the sampling methodology used for each Survey Instrument.
 - d. Do all post offices (including stations and branches) participate in the Point of Sale Survey? If not, please discuss how customer experiences at post offices (including stations and branches) are measured.

RESPONSE:

a. Event-based surveys are conducted in response to an event such as a retail transaction. A relational survey is a conducted on a random sample of the population. The Delivery survey is a hybrid of the two. It is relational in the sense that it is conducted across a random sample of the population, but since the survey is mailed and then received by the customer, it is considered event-driven as well.

b.

Survey	Event
BSN	Service request opened with the customers BSN Representative.
POS	Retail transaction at a POS/RSS units
Delivery	Random sample of population mailed a postcard
CCC	Customer called the Customer Care Center and spoke with a Live Agent

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

RESPONSE TO QUESTION 5 (continued)

c.

Survey	Event
BSN	Customers who created a Service Request are emailed a survey invitation upon closure of the request
POS	Each POS/RSS receipt has an invitation to take a survey
Delivery	Random Sample of population is mailed a postcard invitation to take a survey via a website or IVR
CCC	Customers who called the Care Center receive an IVR call back and are offered the opportunity to complete the survey (Random).

d. Currently, only POS/ RSS retail sites participate in the POS Survey.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

8. The FY 2014 Report and FY 2015 Plan state that “[t]he FY2014 Deliveries per Hour target was revised from 43.3 to 42.9 to reflect the delay of Phase 2 of the Network Rationalization project.” *Id.* at 41. Please discuss how the Network Rationalization project will help the Postal Service achieve its Deliveries per Hour goal in FY 2015.

RESPONSE:

The Total Deliveries per Hour metric measures all possible deliveries divided by all workhours for the entire organization. In Fiscal Year (FY) 2014, the workhour plan included savings that the Postal Service intended to capture when Network Rationalization Phase 2 was implemented. However, because Phase 2 was not implemented in FY 2014, the Postal Service did not capture the planned workhour savings, and this situation contributed to the Postal Service's inability to satisfy the Total Deliveries per Hour target for FY 2014. In FY 2015, the Postal Service again planned workhour savings for Phase 2, and included this expected savings in the Total Deliveries per Hour target. However, in FY 2015, the Postal Service implemented Phase 2, which is expected to result in the capture of planned savings and a favorable impact on the Total Deliveries per Hour score.

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 5

9. Please refer to Docket No. ACR2013, Responses of the United States Postal Service to Questions 1, 5-6, 8-11 of Chairman's Information Request No. 15, March 21, 2014, question 5. Please provide FY 2014 results and FY 2015 targets for each Cross-Portfolio Key Performance Metric.

RESPONSE:

Cross-Portfolio Key Performance Metrics			Cross-Portfolio Key Performance Metrics	
Metric	Description	FY14 Planned	FY15 Metric	FY15 Planned
1	Total Drive Revenue (\$)	\$5,400,000,000	Estimated Value of Closed Sales and Churn Reduction (\$)	\$5,450,000,000
2	Total Drive Cost Savings (\$)	\$1,530,252,539	Total DRIVE Cost Savings (\$)	\$746,799,000
3	Total Work Hours Reduced (Hours)	24,000,000	Not in DRIVE for FY15	N/A
4	Total Headcount Reduction (FTEs)	67,000	Not in DRIVE for FY15	N/A
5	Total Square Feet Reduced (Sq Ft)	2,200,000	Gross Consideration (Facilities) (\$)	\$175,000,000
6	Commercial Mail in Full Service (%)	97.0%	Commercial Mail in Full Service (%)	85%
7	IMb Adoption Rate (%)	97.00%	Not in DRIVE for FY15	N/A
8	Package Scanning (%)	96.5%	Not in DRIVE for FY15	N/A

*Management is currently evaluating the numerous metrics tracked in DRIVE to determine if any of the metrics warrant escalation to the Cross-Portfolio Level.