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United States Postal Service®

Service Performance Measurement

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1. Glossary of Terms

The description of the approach for service performance measurement includes references to certain postal terminology. For clarification, the following brief definitions and descriptions are provided.

The ***Intelligent Mail® barcode (IMb)*** is a height-modulated barcode that encodes up to 31-digits of mailpiece data. The IMb combines and expands the capabilities of the POSTNET barcode and the Planet Code® barcode into one unique barcode.

A ***service standard*** is defined as "a stated goal for service achievement for each mail class." *See Publication 32, Glossary of Postal Terms* (May 1997, updated through July 5, 2007). The service standard for each market-dominant mail service incorporates the days-to-deliver for each 3-digit ZIP Code origin-destination pair within the Postal Service network. The standards serve as the benchmark for measuring service performance.

The ***service performance*** is the number of calendar days from the "Start-the-Clock" to the "Stop-the-Clock". However, if the day of the "Stop-the-Clock" event is immediately after a non-delivery day (Sunday or a holiday), then one day is subtracted from the service performance measurement calculation for each consecutive non-delivery day preceding the delivery day.

For ***inclusion*** in service performance measurement, a mailpiece, container/handling unit, or mailing must pass verification and meet the applicable inclusion criteria listed in the appendix to this document. Verification is a system of checks used to determine if a mailing is properly prepared and if the correct postage is paid.

The ***critical entry time*** (CET) is the latest time that a reasonable amount of a class of mail can be received at designated induction points in the postal network for it to be processed and dispatched in time to meet service standards.

The ***"Start-the-Clock"*** is the date and time when the mailpiece enters the mailstream. If the Postal Service accepts a mailpiece before the posted CET for that day, the day of entry is designated as the "Start-the-Clock" date. If the mailpiece is accepted after the CET or dropped at a collection box, business mail chute, or Post Office location after the last posted pickup time or on a day when pickup does not occur, the mailpiece has a "Start-the-Clock" date of the following applicable acceptance day.

***"Start-the-Clock" Day zero (or Day-*0)** is the date when the clock starts for purposes of service measurement.

The ***"Stop-the-Clock"*** is the date on which delivery occurs or is initially attempted.

"Clearance time" is the latest time that a processing scan can occur for delivery on the same day.

The "***Actual Delivery Day"*** is the calendar day of the "Stop-the-Clock" for a mailpiece.

"Non-Delivery Days" are nationally and locally recognized days on which the Postal Service does not deliver mail to delivery points. Sundays, federal holidays, and local holidays are non-delivery days. Saturdays may also be considered non-delivery days for delivery points that have a Saturday delivery hold. Non-delivery days may also occur by presidential proclamation such as a national day of mourning.

The "***Expected Delivery Day"*** is calculated by adding the applicable service standard to the "Start-the-Clock" date for a mailpiece. When this date lands on a non-delivery day, the expected delivery date becomes the next possible delivery date.

"Service variance", represented as "Within +X", is the number of delivery days between the Expected Delivery Date for the mailpiece and the Actual Delivery Date of the piece. "Within +X" is calculated by subtracting the Expected Delivery Date from the Actual Delivery Date and then subtracting any Non-Delivery Days between the Actual and Expected Delivery Dates from the result:

X = Actual Delivery Day – Expected Delivery Day – Non-Delivery Days

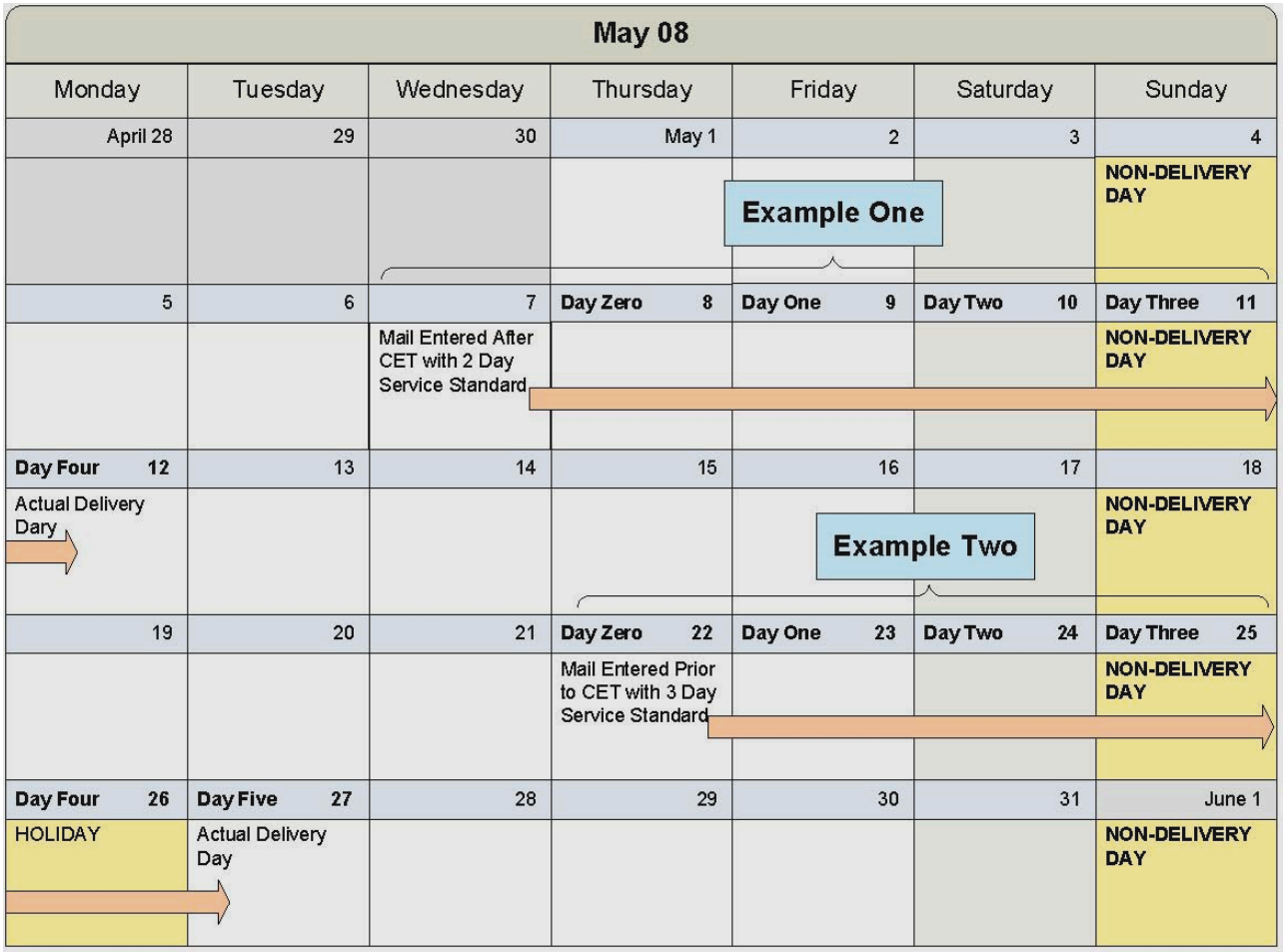
A ***Customer/Supplier Agreement (C/SA)*** is a written notice that confirms, for a commercial mailer, the origin-entry acceptance window during which First-Class Mail that meets applicable preparation requirements will be considered to have been entered into the postal network on "Start-the-Clock Day zero," for purposes of service performance measurement. The notice may include mail containerization specifications and designated postal mail facility entry locations.

The ***Annual Compliance Report*** includes the national annual service performance report for market-dominant products and is subject to compliance review by the Postal Regulatory Commission on a fiscal year basis.

A ***postal area*** is the administrative level directly below national headquarters and is comprised of multiple subordinate ***postal districts***. There are currently seven areas that span the entirety of the postal network; these seven areas are comprised of a total of 67 subordinate districts.

In ***service variance reports***, the Postal Service reports the cumulative percentage for mailpieces delivered after the applicable service standard. The Postal Service refers to the delivery performance of pieces delivered after the service standard as "Within +X" days of the standard.

The following are examples of calculating service variance:



Example 1 – Mail was entered after CET on Wednesday and delivered on Monday with a two day service standard. Since the entry was after Wednesday's CET, day zero is now Thursday. Actual Delivery is the number of days it took (calendar days) to deliver the mail (Thursday to Monday) or 4 days. Expected Delivery is the service standard, which in this case is 2 days. The service performance measurement is Actual Delivery Day (**4**) minus Expected Delivery (**2**) minus any Non-delivery days between the Expected Delivery Day and the Actual Delivery Day (**1**) = 1. Therefore the mail piece was delivered "Within +1 day of the standard."

Example 2 – Mail was entered prior to CET on Thursday and delivered on Tuesday with a three day service standard. Actual Delivery is the time it took (calendar days) to deliver the mail (Thursday to Tuesday) or 5 days. Expected Delivery is the service standard, which in this case is 3 days, plus 2 days since Sunday and Monday are non-delivery days. The service performance measurement is Actual Delivery Day (**5**) minus Expected Delivery (**5**) minus any Non-delivery days between the Expected Delivery Day and the Actual Delivery Day (**0**) = **0**. Therefore the mail piece was delivered on-time.

Figure 1-1: Examples of Service Variance Calculations

2. Introduction

The United States Postal Service (Postal Service) is required to establish modern service standards for its market-dominant mail products and to design these standards to provide a system of objective performance measurements for each market-dominant product as a basis for measurement of Postal Service performance. These standards should be designed to provide a system of objective external performance measurement unless an internal measurement system is implemented with the approval of the Postal Regulatory Commission (Commission).[1]

After consultations with the Commission and as a result of Postal Regulatory Commission Docket No. PI2008-1, the Postal Service established a variety of external, internal and hybrid systems[2] for market-dominant product service measurement in 2008. Moving forward, the Postal Service anticipates implementing changes in the application of mailpiece and operational scanning technology. These changes are expected to allow for the efficient generation of data that will allow the Postal Service to convert some existing service performance measurement (SPM) systems and components of hybrid systems from external to internal. Accordingly, as described in greater detail below, the Postal Service intends to rely more heavily in the future on internal systems for SPM and to utilize external measurement techniques only for international mail, some special services and mail outside the contiguous 48 states.

This document summarizes the **current state** of service performance measurement and the proposed **future state** detailing how the Postal Service will measure service performance relying more heavily on internal measurement systems. The Postal Service expects the proposed measurement system to be as reliable as the current state systems. In addition, the proposed measurement system changes will increase the number of pieces in measurement – moving from a seed/sample system to more of a census-measurement system.

The Postal Service intends for its service performance measurement systems to generate data sufficiently accurate and reliable for purposes of assessing the quality of mail service. These data are expected to provide the Commission with the ability to perform its responsibilities with a high degree of confidence and to reasonably inform the public regarding the quality of service provided to market-dominant products. The following tables summarize the measurement systems for the current and future states.

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[1] 39 U.S.C. §§ 3691(b)(1)(D) and (b)(2).

[2] For example, the External First-Class (EXFC) measurement system is operated externally by an independent third party that employs droppers (unknown to the Postal Service) who seed the mailstream with letters and flats addressed to reporters. That system generates service performance data based on the transit times for those mailpieces. In contrast, the Postal Service measures Package Services service performance internally on the basis of data generated by its scanning of those mailpieces during acceptance, processing and delivery. For other products such as First-Class Mail Presort, Standard Mail, Periodicals, and Bound Printed Matter Flats, hybrid systems measure service performance by combining internal methods for capturing Intelligent Mail barcode scan data and externally generated delivery data provided by reporters.

POSTAL SERVICE MEASUREMENT APPROACH FOR CURRENT STATE

	Single-Piece			Presort		
	Letters	**Flats**	**Parcels**	**Letters**	**Flats**	**Parcels**
First-Class Mail	EXFC	EXFC	Start: Acceptance Scan Stop: USPS Tracking[3] delivery scan	Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting	Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting	N/A
Single-Piece First-Class Mail International	IMMS[4]	EXFC as proxy[5]	Single-Piece First-Class Mail parcels as proxy for Inbound Letter Post parcels[6]	N/A	N/A	N/A
Periodicals	N/A	N/A	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting	Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting	N/A
Standard Mail	N/A	N/A	N/A	<u>Automation:</u> Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting <u>Non-automation:</u> Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	<u>Automation:</u> Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting <u>Non-automation:</u> Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	Start: Documented Arrival Time at Postal facility Stop: USPS Tracking delivery scan
Package Services	N/A	N/A	Start: Acceptance Scan Stop: USPS Tracking delivery scan	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: External Reporting	Start: Documented Arrival Time at Postal facility Stop: USPS Tracking delivery scan

Table 2-1: Measurement Approach by Mail Segment[7]

[3] "USPS Tracking" was formerly denominated as "Delivery Confirmation."

[4] IMMS is an external measurement system for which an independent measurement contractor seeds mail into the mainstream.

[5] The EXFC measurement for domestic First-Class Mail Single-Piece flats serves as a proxy for Single-Piece First-Class Mail International flats due to the small volume in the latter category. After clearing customs, Single-Piece First-Class Mail International flats enter the domestic mainstream and are handled with domestic First-Class Mail Single-Piece flats.

[6] The Postal Service uses the measurement for domestic First-Class Mail parcels as a proxy for Inbound Letter Post parcels.

[7] Special Services are not included in Table 2-1 as they have different methods to "start-the-clock" and "stop-the-clock."

POSTAL SERVICE MEASUREMENT APPROACH FOR FUTURE STATE

	Single-Piece			Presort		
	Letters	**Flats**	**Parcels**	**Letters**	**Flats**	**Parcels**
First-Class Mail	First Mile: CPMS[8] Scan and Carrier Scan of Sample Mailpieces from Randomly Selected Collection Points Processing Duration: First processing scan to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	First Mile: CPMS Scan and Carrier Scan of Sample Mailpieces from Randomly Selected Collection Points Processing Duration: First processing scan to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Same as Current State	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	N/A
Single-Piece First-Class Mail International	Same as Current State	IMMS	International packets measured through USPS Tracking	N/A	N/A	N/A
Periodicals	N/A	N/A	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	N/A
Standard Mail	N/A	N/A	N/A	Automation: Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points Non-automation: Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	Automation: Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points Non-automation: Start-the-Clock: Barcode scans Stop-the-Clock: Barcode scans	Same as Current State
Package Services	N/A	N/A	Same as Current State	N/A	Processing Duration: Start-the-Clock to last processing scan Last Mile: Carrier Scan of Mailpieces from Randomly Selected Delivery Points	Same as Current State

Table 2-2: Measurement Approach by Mail Segment[9]

[8] Collection Point Management System (CPMS) tracks all collection points and the associated carrier pickup times.

[9] Special Services are not included in Table 2-2 as they have different methods to “start-the-clock” and “stop-the-clock.”

3. Measurement Approach

3.1 Current State

3.1.1 First-Class Mail Single-Piece and Single-Piece First Class International for Letter and Flat-shaped Mail

For purpose of service performance measurement, the Postal Service uses the External First-Class Measurement system (EXFC) for First-Class Mail Single-Piece letters and flats and the International Mail Measurement System (IMMS) for Single-Piece First-Class Mail International letters.[10]

These systems are external service performance measurement systems conducted by an independent third party, outside the scope of normal Postal Service operations. Measurement is end-to-end and is carried out by creating and inducting a sample of test pieces into the mailstream on a quarterly basis, and monitoring performance through to final delivery. The quarterly samples are governed by statistical designs, developed based on available population data such as data from the Postal Service's Origin Destination Information System (ODIS). The statistical design determines the key aspects needed for the system to be representative of the population being measured and for achieving the desired precision of results. These aspects include sample volume, test mail characteristics, and induction and receipt locations among others.

Induction and receipt of test pieces in locations throughout the United States and U.S. Territories served by the Postal Service is executed using external panels of participants known as droppers and reporters. Droppers induct test mail into the mailstream at eligible locations and report the induction date, time, and location information. Reporters receive the test pieces and report the date of delivery to their address.

Dropper and reporter panelists must meet the independent third party's eligibility requirements in order to participate in the ongoing external measurement studies. The requirements are designed to prevent participation of panelists who may have a bias for or against the Postal Service, who may represent a risk to the confidentiality of the study, or who cannot successfully fulfill the role's requirements.

Key eligibility requirements for both droppers and reporters include the following:

- Droppers/reporters and members of their immediate family and household may not be a current Postal Service employee or former employee within the past three years.
- Droppers/reporters and members of their immediate family and household may not work for UPS, FedEx, or another competitor.
- Droppers/reporters and members of their immediate family and household may not currently work for a news, radio or television organization.

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[10] The only major type of International Mail classified as market-dominant is Single-Piece First-Class Mail International. For Single-Piece First-Class Mail International flats and inbound parcels, the Postal Service will use the domestic flats and parcel measurements as proxies, as explained in Section **Error! Reference source not found.**. As a result of PRC Order No. 2160 (August 19, 2014), Inbound Surface Parcel Post (ISPP) has been transferred to the competitive products list.

In addition, droppers must be available to induct mail Monday through Saturday and provide their own reliable transportation. Reporters must be available to check and report their mail six days a week, Monday through Saturday, and must receive their mail directly from the Postal Service without any handling by a third party such as a mail room or receptionist. They also must not be away from their reporting address for more than 45 consecutive days per year.

The data on "Start-the-Clock" and "Stop-the-Clock" events reported by droppers and reporters are analyzed on an ongoing basis to identify any erroneous or suspicious data that should be excluded from performance measurement due to either compliance or data quality issues. Transit time for the test pieces is calculated using the start and stop-the-clock data and compared to applicable service standards to derive service performance. Weighting is applied in performance calculations to account for sample deviations. The basic process flow for external systems such as EXFC and IMMS is depicted as follows:

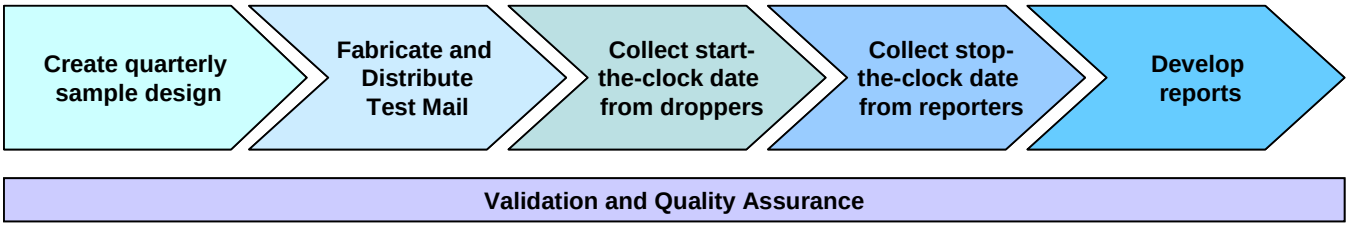

Figure 3-1: External Measurement Process Flow

3.1.2 Presort Letter and Flat-shaped Mail

For First-Class Mail Presort letters and flats, Periodicals, Standard Mail services, and Bound Printed Matter Flats, the Postal Service uses a hybrid measurement approach that supplements mail scans available from an internal Intelligent Mail system with externally collected data.

The two main components of presorted letter and flat-shaped mail end to end measurement are the Processing Duration and the Last Mile Impact.[11] The Processing Duration can be viewed as the difference between the "Start-the-Clock" and Anticipated Date of Delivery, excluding non-delivery days. This is then compared to the service standard for the mail category. To this, the Last Mile Impact is applied to calculate the overall service performance measurement.

The Postal Service's service performance measurement system uses documented arrival time at the postal facility to "Start-the-Clock". When assessing mailpiece service performance, Critical Entry Times (CETs) must be taken into account. First-Class Mail Presort letters and flats, Periodicals, Standard Mail, and Bound Printed Matter are subject to nationally standardized CETs. If the Postal Service accepts a mailpiece before the CET on a given acceptance day, the mailpiece will have a "Start-the-Clock" date of the current day. If the mailpiece is accepted after the CET, the mailpiece will have a "Start-the-Clock" date of the following applicable acceptance day.

Likewise, the Anticipated Delivery Date is calculated based on the Final Processing Operation and national Clearance Time. If the Final Processing Operation is before the Clearance Time on a given delivery day, the mailpiece will have an Anticipated Date of Delivery of the current day. If the Final Processing Operation occurs after the Clearance Time, the mailpiece will have an Anticipated Date

[11] Presort Mail must be verified during the acceptance process before being included in service measurement.

of Delivery of the following applicable delivery day.

In addition, the system uses reporters (employed by an independent third-party and unknown to the Postal Service) who use scanners to record the delivery of mailpieces, which is the “Stop-the-Clock” event for purposes of service measurement. The Last Mile Impact measures how long mail takes from the anticipated date of delivery based on the final processing scan to the actual delivery.

Together, these components measure overall service performance. The measurement process uses all Full Service Intelligent Mail mailpieces for which a start-the-clock can be calculated and for which data on mailpiece tracking scans are available. These data collected by the Postal Service are provided to an independent third party. The third party uses the data from the external reporters to estimate the transit time from final postal processing scan to delivery and then calculates the overall service measurement and compiles the necessary reports. The process is depicted in Figure 3-2, below.

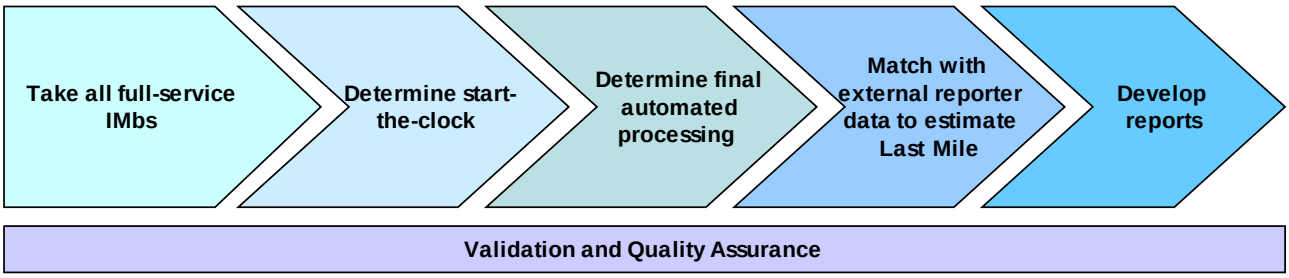

Figure 3-2: Presort Mail Measurement Process

To facilitate an accurate “Start-the-Clock” measurement, mailers prepare mail with an IMb and, as a part of the acceptance process, submit electronic mailing information that describes the mail profile. Mailings are verified at acceptance to ensure they meet applicable preparation requirements necessary to qualify for service performance measurement.[12] For mailers that meet the Full Service Intelligent Mail® Option, the Postal Service makes mail arrival time and mail preparation quality information available.

The independent third party determines service performance based on the elapsed time between the “Start-the-Clock” and Anticipated Date of Delivery recorded by the Postal Service as well as the Last Mile Impact, as measured by delivery event scans recorded by anonymous households and small businesses that report delivery information directly to the third party. The overall service measure consists of two parts: (1) how long mailpieces take to get through processing, which is known as **processing duration**; and (2) how long mail takes from the delivery date anticipated based on the last processing scan to actual delivery known as **Last Mile Impact**. The second portion forms a delivery profile whereby the external reporter scans are used to determine the percent of mail that is delivered on the date calculated from the last processing date and time, and the percent delivered the same day, one day later, 2 days later, etc. The two-stage measurement approach allows for the measurement of all full-service Intelligent Mail pieces that have valid start-the-clock information and at least one processing scan, with the application of the predicted delivery profile based on the shape and class of mail and the location and type of final processing. With this measurement approach, the transit-time of all mail from start-the-clock to final processing is

[12] Such requirements are in addition to those which must be met to qualify for mailing within a particular product or price category.

augmented by data provided by external reporters. Scanning offers many benefits to the Postal Service, the Commission, and mailers concerning the accuracy and auditability of service performance measurement:

- delivery sampling data are used to provide the granularity required for district level reporting; and
- association of the reporter scan data to the final mail processing equipment scan is used to assess delivery failures.

The use of external reporters allows for barcoded mail that falls out of automation before the destination plant to be included in service performance measurement. To ensure that the external service measurement contractor is able to measure service performance for properly prepared and addressed mailpieces, the Postal Service provides the contractor with mail quality information that it derives by scanning IMbs.

This measurement approach leverages IMb data from internal systems for presorted letters and flat-shaped mail to enhance service measurement. It also allows for:

- greater representation of mail characteristics;
- richer diagnostics; and
- robust and reliable measurement.

The Postal Service performs service measurement on mail that satisfies generally applicable mail preparation requirements and also meets the requirements of the Full Service Intelligent Mail® Option, which gives the Postal Service the ability to identify unique mailpieces in the mailstream. These service measurement requirements include unique Intelligent Mail® barcodes on mailpieces, trays and containers where appropriate, and appointment scheduling for Destination Network Distribution Center (DNDC), Destination Area Distribution Center (DADC), and Destination Sectional Center Facility (DSCF) drop shipments, and for authorized mailers choosing to transport origin-entered, postal-verified mail to downstream facilities. They also may include electronic submission of postage statements and mailing documentation. More information on the Full Service Intelligent Mail® Option can be found in Federal Register notices[13] and in the Domestic Mail Manual (DMM).[14]

3.1.3 Parcels

For parcel-shaped First-Class Mail, Standard Mail, and Package Services,[15] the Postal Service uses

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[13] *See* 73 Fed. Reg. 1158 (2008) (proposed Jan. 7, 2008); 73 Fed. Reg. 23393 (2008) (proposed Apr. 30, 2008); 73 Fed. Reg. 49333 (2008); 73 Fed. Reg. 49333 (2008); 77 Fed. Reg. 12764 (2012) (proposed Mar. 2, 2012); 77 Fed. Reg. 23643 (2012) (proposed Apr. 20, 2012);, 77 Fed. Reg. 26185 (2012); 77 Fed. Reg. 26185 (2012); 77 Fed. Reg. 33314 (2012) (final rule correction); 77 Fed. Reg. 63771 (2012) (proposed Oct. 17, 2012); 78 Fed. Reg. 23137 (2013) (proposed Apr. 18, 2013); and 78 Fed. Reg. 78720 (2013).

[14] The requirements for service performance measurement are separate from addressing, presortation, containerization, or other requirements generally governing price eligibility published in the Mail Classification Schedule or the Domestic Mail Manual.

[15] Package Services market-dominant products include Alaska Bypass Service, Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media/Library Mail, by operation of 39 U.S.C. § 3621. For purposes of service standard establishment and service performance measurement, these market-dominant products are grouped together as Package Services due to their relatively small volumes. As a result of PRC Order No. 2160, ISPP has been transferred to the competitive products list and is no longer considered as a candidate product for service performance measurement. As a result of PRC Order No. 2303, the Postal Service is semi-permanently exempt from measuring and reporting service performance scores for the Alaska Bypass Service.

an internal solution based on USPS Tracking barcode scans obtained at acceptance and delivery. For reporting purposes, First-Class Mail parcels are included with the First-Class Mail aggregate performance results and Standard Mail parcels are included with the Standard Mail aggregate performance.

For parcel-shaped market-dominant mail for which USPS Tracking service has been purchased, the Postal Service uses the USPS Tracking barcode scan at the retail counter as the “Start-the-Clock” event.

The “Stop-the-Clock” event is the USPS Tracking barcode scan performed by postal personnel at delivery.[16] Since postal personnel scan pieces with a USPS Tracking barcode at delivery, the measurement system is truly an end-to-end performance system. In addition, the sender has access to the USPS Tracking “Stop-the-Clock” information from the Track & Confirm function at the Postal Service’s public website, http://www.usps.com and, thus, can independently verify the delivery date.

3.1.4 Reporting

The Postal Service is required to report measures of the quality of service on a quarterly and annual basis. The Postal Service uses an independent third party to prepare service performance reports for domestic First-Class Mail, Periodicals, Standard Mail, and Single-Piece First-Class Mail International letters.

The Postal Service will continue collecting performance data for parcels within each domestic market-dominant mail class based on USPS Tracking acceptance and delivery scans. The Postal Service sends performance data for First-Class Mail parcels and Standard Mail parcels[17] to the external service performance contractor for consolidated reporting of the performance of each mail class. Quarterly reports include data on the percentage of mail delivered on-time, as well as the percentage of mail delivered within 1-day, 2-days, and 3-days of the standard being measured. Annual compliance reports for each market-dominant product include the annual target and the annual percentage of mail delivered on time.

3.2 Future State

3.2.1 First-Class Mail Single-Piece and Single-Piece First Class International for Letter and Flat-shaped Mail

For the future state of service performance measurement, the Postal Service will use the proposed service performance measurement (SPM) system for First-Class Mail Single-Piece letters and flats and will continue to use of the external International Mail Measurement System (IMMS) for Single-

[16] Either by a carrier on a delivery route or a clerk in a Post Office Box section as delivery is completed or attempted.

[17] As of PFY13 Quarter 3, no data have been available for Standard Mail Parcels, as noted in the Limitations section of the reports submitted to the Commission.

Piece First-Class Mail International letters.[18]

The proposed SPM system will measure mail entering Postal Service collection boxes and office building chutes (aka Postal Service collection points) and will monitor performance through delivery. There are three components of measurement: First Mile, Processing Duration and Last Mile. To measure First Mile and Last Mile Impact, Postal Service letter carriers will be instructed to scan barcoded mailpieces from randomly-selected collection points and delivery points. These collection and delivery points will be randomly selected based on a statistical design that is representative of the population being measured and will achieve the desired precision of results.

The First Mile Impact measures how long mail takes from collection to the first processing operation. First Mile Impact will be based on a composite score that is calculated using collection pickup time data as well as mailpiece scan information from randomly-selected collection points. For the first part of the composite, the latest posted pickup time for the Postal Service collection point will be compared to the scanned pickup time, and the average volume of each collection point[19] will be used to determine the percent of mail picked up on time. Postal Service Delivery Operations conducts periodic density tests of collection boxes. Density tests are performed for a continuous two-week period. This density information will be used to determine the percentage of mail potentially impacted if a collection point is 'tapped' earlier than the posted collection times. This will be used in First Mile calculations to determine 'Start-the-Clock' on collection mail.

For the second part of the composite, carriers will scan IMb or IBI barcoded mailpieces from collection points randomly selected by the proposed measurement system. The carrier will be prompted by his or her scanning device to scan a specific number of mailpieces at the designated collection point when he or she is within vicinity of the collection point. The scanned pieces are used to determine the percent of mail that receives its first processing event on the date calculated from the collection date and time, and the percent processed one day later, two days later, etc. Together, these two components will create the composite First Mile Impact collection profile.

Processing Duration for each piece is calculated using the First Processing Operation (FPO) and the Last Processing Operation (LPO). All mailpieces with at least one processing scan will be included in measurement, and it is possible that the FPO and LPO can be the same event.

Last Mile Impact will be calculated based on randomly-selected delivery point scan information. The Last Mile Impact measures how long mail takes from the anticipated delivery date based on the last processing scan to actual delivery. This forms a delivery profile whereby the scanned pieces are used to determine the percent of mail that is delivered on the date calculated from the last processing date and time, and the percent delivered that day, one day later, two days later, etc.

In addition, the geo-location of the collection and delivery scan events will be compared to the geo-coordinates of the collection and delivery points to assure that carriers are within proximity of designated collection or delivery points during the sampling process. The collection point volume, First Mile and Last Mile Impact business rules and the data will be analyzed on an ongoing basis to identify any invalid or fraudulent data that should be excluded from measurement.

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[18] The only major type of International Mail classified as market-dominant is Single-Piece First-Class Mail International. For Single-Piece First-Class Mail International flats and inbound parcels, the Postal Service uses the domestic flats and parcel measurements as proxies, as explained in Section **Error! Reference source not found.**.

[19] The average collection point volume is calculated for all collection points, based upon a density volume test, and updated in the Collection Point Management System (CPMS).

This three-stage measurement approach allows for the measurement of all collection pieces that have at least one processing scan, with the application of the calculated delivery profile based on the shape and class of mail and the location and type of final processing. With this measurement approach, the transit-time of all mail from first processing operation to last processing operation is augmented by Last Mile Impact data provided by carrier scanning and First Mile Impact data provided by CPMS scanning and First Mile sampling, allowing end-to-end measurement.

The end-to-end measurement score will be compared to applicable service standards to derive service performance. Weighting is applied in performance calculations to account for sample deviations. The basic process flow to measure First-Class Mail Single-Piece letters and flats service performance is depicted in Figure 3.3:

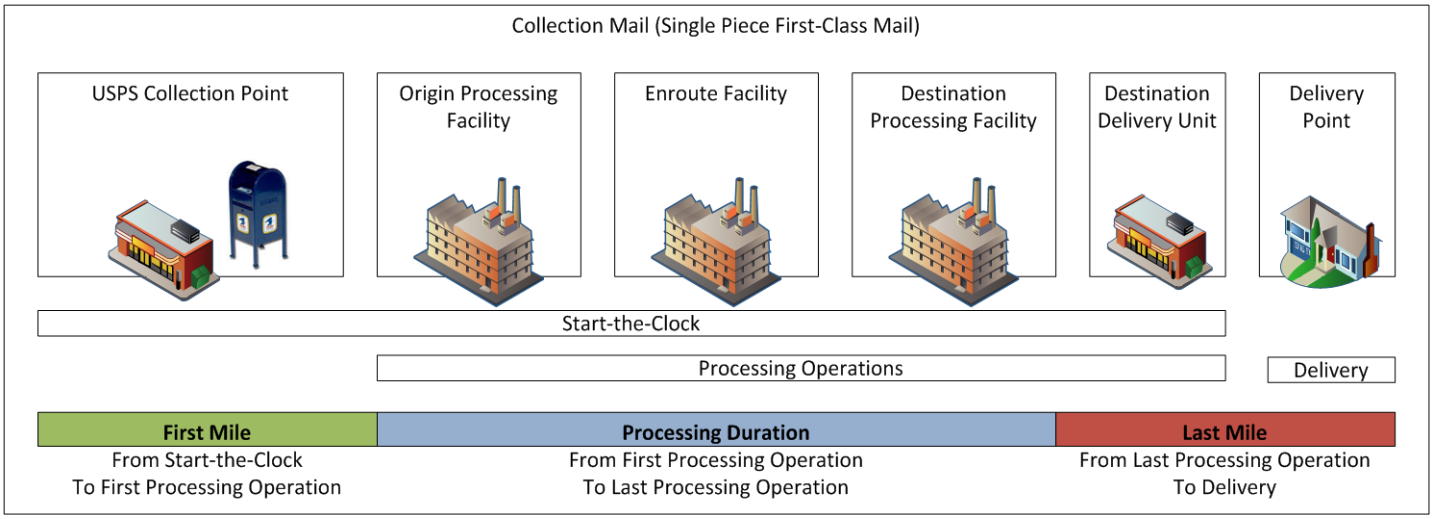

Figure 3-3: Internal Measurement Process Flow

There are multiple types of barcodes that will be used to accomplish tracking of First–Class Mail Single-Piece letters and flats, and new barcodes and/or emerging scan technologies may be incorporated at a future date to improve the quantity and/or quality of measurement.

For First Mile collection, employees will scan a predetermined number of mailer-applied Intelligent Mail barcodes (IMb) or Information Based Indicia (IBI) barcodes from mailpieces at collection points randomly selected by the proposed internal measurement system. Carriers will use their Mobile Delivery Device (MDD) scanner to capture the acceptance scan, which will then be transmitted to the proposed SPM system. The acceptance scan will record the mailer-applied IMb or IBI barcode value, the date/time of the scan, and the geo-coordinates of the scan location.

In addition, carriers are required to scan the Collection Point Management System (CPMS) barcode of the collection box upon pickup, which is then transmitted to the internal measurement system. The CPMS barcode scan will record the CPMS barcode value, the date/time of the scan, and the geo-coordinates of the scan location. The internal measurement system will compare the actual pickup time, as determined by the CPMS barcode scan, to the expected pickup time to determine early and late pickups from collection boxes.

For processing scans, a variety of barcodes may be used to identify and track distinct mailpieces: a mailer-applied IMb, a Postal Service-applied IMb, IBI, IM package barcode (IMpb), legacy Special Service barcodes (such as Certified barcodes), Postal Service-applied Flats ID Coding System

(FICS) barcode, or Postal Service-applied ID Tag.

As letter mail is processed on the Advanced Facer Cancellation System 200 (AFCS 200), an identification (ID) Tag is applied to the back of the envelope. In addition, if there is not an IMb on the front of the envelope, or if an IMb is on the front but it does not have the correct delivery point routing code, a Postal Service-applied IMb is placed in the lower right section of the envelope. Letter mail that is processed on the legacy Advanced Face Cancellation System (AFCS) has an ID Tag applied to the back of the envelope. During a downstream operation, a Postal Service-applied IMb is placed to the front of the envelope if there is no IMb on the front of the envelope, or if the IMb has an incorrect delivery point routing code.

As single-piece flat mail is processed on the Automated Flats Sorting Machine 100 (AFSM 100), a FICS barcode is applied to the mailpiece when there is not a mailer-applied barcode on the piece, or when the barcode is not detected or not readable.

For Last Mile, carriers will scan mailer-applied or Postal Service-applied IMb barcodes from mailpieces at delivery points randomly selected by the proposed measurement system.

3.2.2 Presorted Letter and Flat-shaped Mail

For letter-and flat-shaped presorted mail within First-Class Mail, Periodicals, and Standard Mail services, and flat-shaped presorted mail within Package Services (Bound Printed Matter Flats), the Postal Service uses a measurement approach that combines processing duration with Last Mile Impact, as calculated based on carrier sampling.

The proposed SPM system will continue to use documented arrival time at the postal facility to "Start-the-Clock." The Last Mile Impact for the Commercial Mail will be calculated based on carrier sampling. For the Last Mile Impact, the Postal service will scan randomly selected mailpieces at Delivery to measure Last Mile.

First-Class Mail Presort letters and flats are measured based on the Processing Duration and the Last Mile Impact, as depicted in Figure 3.4.

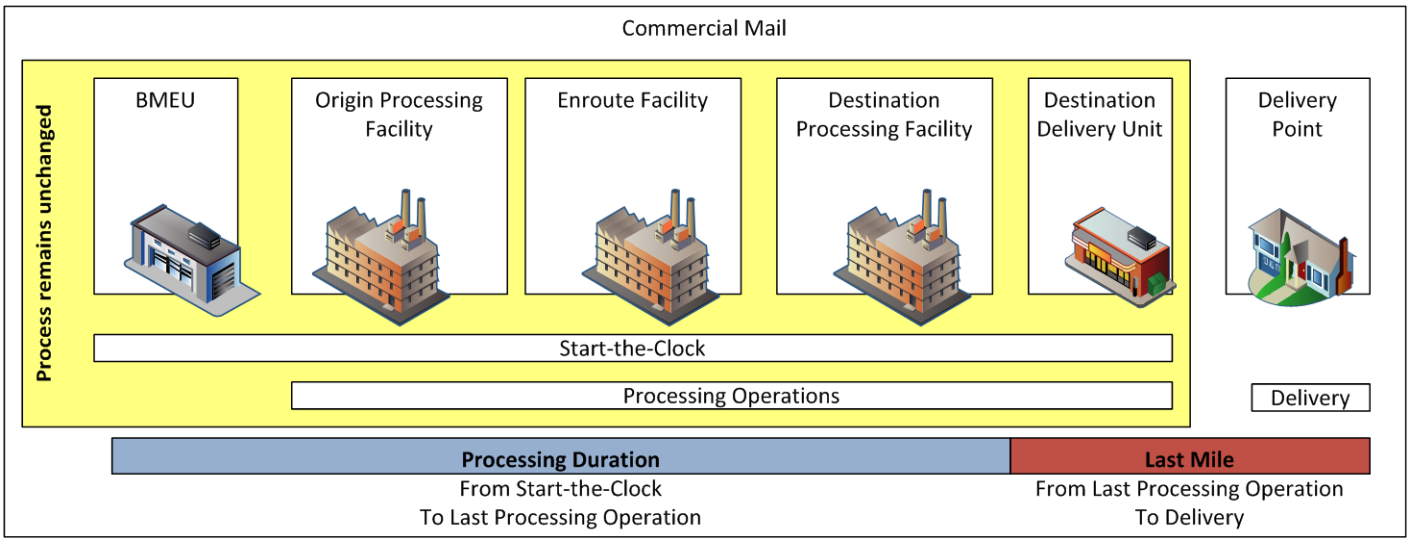

Figure 3-4: Future State of Commercial Mail Measurement

3.2.3 Parcels

For parcel-shaped First-Class Mail and Package Services,[20] the Postal Service will continue to use an internal solution based on USPS Tracking scans obtained at acceptance and delivery.[21] For reporting purposes, First-Class Mail parcels are included with the First-Class Mail aggregate performance results and Standard Mail parcels are included with the Standard Mail aggregate performance.

For parcel-shaped market-dominant mail for which USPS Tracking service has been purchased, the Postal Service uses the USPS Tracking barcode scan at the retail counter as the "Start-the-Clock" event. Parcel-shaped presorted mail uses the documented arrival time at the postal facility as the "Start-the-Clock".

The "Stop-the-Clock" event is the USPS Tracking barcode scan performed by postal personnel at delivery, either by a carrier on a delivery route or a clerk in a Post Office Box section as delivery is completed or attempted. Since postal personnel scan pieces with a USPS Tracking barcode at delivery, the measurement system is truly an end-to-end performance system. In addition, the sender has access to the USPS Tracking "Stop-the-Clock" information from the Track function at the Postal Service's public website, http://www.usps.com and, thus, can independently verify the delivery date.

For parcel-shaped Standard Mail, the Postal Service will use a measurement approach that combines processing duration with Last Mile Impact, as calculated based on carrier sampling.

The proposed SPM system will continue to use documented arrival time at the postal facility to "Start-the-Clock," and for Standard Mail parcels without a barcode, a carrier will scan a wall barcode within the Delivery Unit to capture the "Stop-the-Clock". The Last Mile Impact for the any parcel with USPS Tracking will be calculated based on carrier sampling. For the Last Mile Impact, the Postal Service will scan randomly selected mailpieces at Delivery to measure Last Mile.

3.2.4 Reporting

The Postal Service is required to report measures of the quality of service on a quarterly and annual basis. The Postal Service will use the proposed SPM system to prepare service performance reports for domestic First-Class Mail, Periodicals, Standard Mail, and Package Services. The Postal Service will continue to use a third party to prepare service performance reports for all measured International Mail and Special Services.

The Postal Service will continue collecting performance data for service measurement. Quarterly reports include data on the percentage of mail delivered on-time, as well as the percentage of mail delivered within 1-day, 2-days, and 3-days of the standard being measured. Annual compliance

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[20] Package Services market-dominant products include Alaska Bypass Service, Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media/Library Mail, by operation of 39 U.S.C. § 3621. For purposes of service standard establishment and service performance measurement, these market-dominant products are grouped together as Package Services due to their relatively small volumes. As a result of PRC Order No. 2160, ISPP has been transferred to the competitive products list and thus is no longer considered as a candidate product for service performance measurement. As a result of PRC Order No. 2303, the Postal Service secured a semi-permanent exemption from measuring and reporting service performance scores for the Alaska Bypass Service.

[21] In Docket No. MC2015-7, the Postal Service requested to transfer First-Class Mail Parcels from market dominant to competitive product list.

reports for each market-dominant product will include the annual target and the annual percentage of mail delivered on time.

For Special Services, the Postal Service reports on time performance for individual Special Services products.

4. First-Class Mail

4.1 Background

Domestic First-Class Mail contains Single-Piece letters and cards, Presort letters and cards, Single-Piece and Presort flats, and single-piece parcels. The Postal Service measures results for each of these different segments, excluding presort First-Class Mail parcels, as they are deemed a competitive product. Service performance is reported for presort and single-piece categories, as well as in aggregates weighted type/or volumes as needed to satisfy reporting requirements.

4.2 First-Class Mail Single-Piece Letters/Cards and Flats

4.2.1 Current State

Service performance for these products is measured though the EXFC system. EXFC continuously measures performance in nearly all 3-digit ZIP Code service areas, covering the contiguous United States, Alaska, Hawaii, Guam, the U.S. Virgin Islands, and Puerto Rico. EXFC mailpieces are designed to resemble the rest of the Single-Piece First-Class Mail mailstream; pieces are hand- or machine-addressed, stamped and are of different colors, sizes, and weights. Test piece characteristics are updated annually based on data provided by ODIS on volumes by indicia, shape, and weight.

Test pieces are grouped into bundles of roughly 20 to 35 mailpieces for induction into a collection box or wall chute. The pieces are inducted at the same time, but as individual mailpieces, i.e., they are not banded together. Each bundle contains test pieces with a variety of shapes and characteristics represented. Bundles typically contain pieces destined to locations that represent a mix of service standards.

4.2.1.1 “Start-the-Clock”

The date and time that a bundle of test mailpieces is dropped into a collection box or business mail chute is the “Start-the-Clock.” Mailpiece droppers report the “Start-the-Clock” directly to the external service measurement contractor. If a mailpiece is dropped at a collection box or business mail chute after the last posted pickup time or on a day when pickup does not occur, the next valid pickup day is the “Start-the-Clock”. In the event that the last pickup for the location is not legible or present on collection box or wall chute label, the independent third party is unable to determine the “Start-the-Clock” and the data becomes ineligible for measurement.

Eligible induction points for the “Start-the-Clock” are determined before the start of each fiscal quarter. External droppers are provided with a listing of collection boxes that they are allowed to

use for their assigned inductions in a given 3-digit ZIP Code service area. Enough locations are chosen to ensure a certain amount of overage, to accommodate any unforeseen issues that may arise with the selected induction points. The collection boxes are chosen in a random selection process with replacement, meaning that the same induction location may be chosen multiple times. The induction point sample is a probability proportional to size type sample. As such, 5-digit ZIP Code areas with a larger number of collection boxes have a greater chance of being selected than ZIP Code areas with a smaller number of collection boxes.

The independent third party monitors dropper compliance with induction requirements continuously throughout the quarter to identify any issues with adherence to schedule or induction rules, accuracy of the induction data reported, or proper diversification of mail locations.

EXFC origin-destination mail flows are based on estimated 3-digit ZIP Code origin-destination pair volume flows represented in ODIS average daily volume data for the most recent available 12 quarters. EXFC has a destination-based design, meaning that the sampling plan is created such that each postal administrative district receives approximately the same volume of test pieces by service standard each quarter, unless special targets are in effect. The final number of pieces by performance cluster and service standard will vary based on usability and other factors. The number of pieces entered from each postal administrative district is based on the corresponding origin-destination volumes by service standard. The number of test pieces entered will vary more significantly across districts depending upon how much of the fixed destinating sample should originate from those areas in order to be proportionate to ODIS volume flows.

4.2.1.2 “Stop-the-Clock”

The date that the mailpiece is received at a household, small business, or Post Office Box is the “Stop-the-Clock” event. Mailpiece reporters report the stop-the-clock date directly to the independent third party for purposes of EXFC. The total number of reporters required within a 3-digit ZIP Code is determined by the amount of test mail volume destinating to that ZIP Code area per the sample design. Within the 3-digit ZIP Code area, reporters are distributed using the delivery point distribution in that ZIP Code. The 5-digit ZIP Codes within the 3-digit area are rank ordered by the number of residential deliveries in each, and the cumulative distribution is calculated to create the following groupings of 5-digit ZIP Codes:

- Grouping 1: 5-digit ZIP Codes where the cumulative distribution is less than 33 1/3 percent of total delivery points for the 3-digit ZIP Code;
- Grouping 2: 5-digit ZIP Codes where the cumulative distribution is between 33 1/3 and 66 2/3 percent; and
- Grouping 3: 5-digit ZIP Codes where the cumulative distribution is greater than 66 2/3 percent.

The independent third party recruits one-third of the required reporters from 5-digit ZIP Codes in the first grouping, one-third from 5-digit ZIP Codes in the second grouping, and one-third from 5-digit ZIP Codes in the third grouping. Where possible, reporters are recruited from at least 50 percent of the 5-digit ZIP Codes within each grouping.

Receipt date information provided by reporters is analyzed by the independent third party for any quality issues on an ongoing basis as part of daily, weekly, monthly and quarterly quality processes.

Service performance is calculated as the number of calendar days from the “Start-the-clock” to the “Stop-the-Clock”. However, if the day of the Stop-the-Clock event occurs immediately after a non-

delivery day (Sunday or a holiday), then one day is subtracted from the service performance calculation for each consecutive non-delivery day.

4.2.2 Future State

The proposed SPM system for First-Class Mail Single-Piece letters and flats will measure pieces deposited in Postal Service collection boxes, office building mail chutes, and accepted at postal retail units (a.k.a. Postal Service collection points). The Processing Duration will be measured for this mail from first processing operation to last processing operation, and adjusted for First Mile and Last Mile Impacts.

4.2.2.1 First Mile Impact

The First Mile Impact measures how long mail takes from collection to the first processing operation. First Mile Impact will be based on a composite score that is calculated based on collection pickup time as well as mailpiece scan information from randomly-selected collection points. Together, these two components will create the composite First Mile Impact collection profile.

For the first part of the composite, the carrier's CPMS scans will provide the pickup date, time, and location information. The CPMS scan data will be validated by comparing the CPMS scan location to the CPMS box location points. For valid CPMS scans, the First Mile Impact will be calculated based on the pickup time and the average volume of each collection point to determine the percent of mail picked up on time. The percentage of mail with Start-the-Clock for the day of pickup will be calculated by comparing the latest posted pickup time of the Postal Service Collection Point to the scanned pickup time.

If the scan event indicates the CPMS scan is on or after the last posted pickup time for the previous day, then 100% of the mailpieces will have the "Start-the-Clock" the same day as pickup. If the scan event data indicates the CPMS scan for a specific collection point was before the last posted pickup time on the previous day, then a percentage of the volume will be considered to have the "Start-the-Clock" of the previous day. This percentage of volume is calculated based on the (1) the average volume of each collection point, (2) the time in between the scheduled last pickup and the actual pickup, and (3) a volume profile which indicates the percentage of mail that is expected to be deposited based on the time before pickup.[22]

For the second part of the composite, the carrier will scan barcoded mailpieces from randomly selected collection points. Enough collection points and mailpieces from the collection points will be sampled to ensure a certain amount of coverage, to accommodate any unforeseen issues that may arise with the selected collection point scans. The collection points will be chosen in a statistically-valid random selection process with replacement for the 3-digit ZIP Code service area.

In addition, retail clerks will be randomly prompted to scan mailpieces coming across the retail counter, in order to incorporate those pieces into the First Mile Impact score.

The scanned pieces are used to determine the percent of mail that receives its first processing event

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[22] The average collection point volume is calculated for all collection points at least annually, based upon a density volume test, and updated in the CPMS system. As part of the density volume test, the volume profile is measured, indicating the average volume that is deposited between pickup times throughout the day for collection points with multiple daily collections.

on the date calculated from the collection date and time, and the percent processed one day later, two days later, etc.

The validity of the CPMS scans and sampled mailpiece scans will be analyzed on an ongoing basis to identify any invalid or fraudulent data that should be excluded from measurement.

4.2.2.2 Processing Duration

The Postal Service measures mail between the First and Last Processing Operations. Mailpieces are uniquely identified during processing operations. When a mailpiece goes across automation equipment, a unique IMb, ID Tag, or FICS ID Tag is applied to the piece. The Postal Service uses this tracking information to measure the processing duration for the mailpiece, which is then compared to the service standard and adjusted by First Mile and Last Mile Impacts to calculate the service variance.

4.2.2.3 Last Mile Impact

The proposed SPM system will measure performance in all 3-digit ZIP Code service areas. For the Last Mile factor enough locations will be measured to ensure a certain amount of coverage, to accommodate any unforeseen issues that may arise with the selected delivery point scans. The delivery points, including P.O. Boxes, will be chosen in a statistically-valid random selection process with replacement for the 3-digit ZIP Code service area.

The delivery point sample is a probability proportional to population size. As such, 5-digit ZIP Code areas with a larger number of delivery points have a higher representation than 5-digit ZIP Codes areas with a smaller population (delivery points). The sample sizes are based on estimated 3-digit ZIP Code destination volume flows.

The proposed SPM system will randomly select delivery points for last mile measurement, that cumulatively cover a variety of shapes and characteristics representing a mix of service standards. These randomly-select delivery point sample requests will be encrypted and transmitted to the carrier scanning devices, where they will lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier will be prompted to scan mailpieces for that delivery point.

4.3 First-Class Mail Presort Letters, Cards, and Flats

4.3.1 Current State

First-Class Mail Presort Letters and Cards and First-Class Mail Presort Flats are currently measured using a hybrid measurement approach. It is supported by an internal measurement system as well as the Intelligent Mail Accuracy and Performance System (IMAPS), which is managed by an independent third party. The primary induction method for Presort letters and cards is bulk entry at postal mail processing plants and Business Mail Entry Units (BMEUs) across the United States. The Postal Service's measurement approach uses externally generated delivery scans of mailpieces containing IMbs by reporters to record delivery dates. In combination with Intelligent Mail scan data collected by the Postal Service, this approach enables the granular level of reporting being sought by the mailing industry.

4.3.1.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation requirements. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement but it may have a new “Start-the-Clock” Day-0. Mail “Start-the-Clock” times and mail preparation quality information are made available to Full Service IMb mailers.

The processing duration is calculated as described in Section 3.1.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

4.3.1.2 Last Mile Impact

At the direction of an independent third party, mail recipients (whose status as reporters is unknown to the Postal Service) will use scanners capable of reading IMbs to record the delivery event for individual mailpieces they receive and transmit scan data to the third party. By comparing the date of the final Postal Service processing scan with the actual receipt date for these pieces, this independent third party calculates a delivery factor for the service performance of First-Class Mail Presort letters and cards. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all Presort First-Class Mail.

The independent third party manages the reporter panel according to the same requirements and processes as described in section 4.2.1.2

4.3.1.3 Service Performance Calculations

Service performance estimates for Presort First-Class Mail are comprised of processing and delivery performance estimates. Processing performance is estimated using the transit-time duration, in days, of Full Service Intelligent Mail data from “Start-the-Clock” to Anticipated Date of Delivery. An independent third party creates a profile of performance by calculating the proportion of volume processed early, on time, and late, relative to the service standard. The contractor also creates a profile for delivery performance, also known as the Last Mile delivery factor, by calculating the proportion of reporter pieces delivered on the anticipated delivery date, one day later than the anticipated delivery date, two days later, etc.

Estimates of on-time performance are created using all possible combinations of processing and delivery performance that reflect on-time performance relative to the service standard. For example, the proportion of mail processed one day early relative to service standard is combined with the proportion of mail processed on time and one day delayed in delivery, in the manner illustrated in Table 4-1, below.

Processing Profile	Percentage	Delivery Profile	Percentage	Contribution to On Time Score	Cumulative On Time Score
1 Day early	9.0	0 Days	95.0	8.55	8.55
		1 Day	5.0	0.45	9.00

On Time	88.0	0 Days	95.0	83.6	92.6
		1 Day	5.0	0.0	92.6
Late	3.0	0 Days	95.0	0.0	92.6
		1 Day	5.0	0.0	92.6

Table 4-1: Example of Presort First-Class Mail On-Time Calculation

4.3.2 Future State

The primary induction method for Presort letters and cards is bulk entry at postal mail processing plants and Business Mail Entry Units (BMEUs) across the United States. The components of service measurement for presort mail consist of the processing duration, which is calculated based on the Start-the-Clock and the Last Processing Operation, and the Last Mile Impact, which will be calculated based on carrier scanning of randomly-selected delivery points.

4.3.2.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation requirements. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement but it may have a new “Start-the-Clock” Day-0. Mail “Start-the-Clock” times and mail preparation quality information are made available to Full Service IMb mailers.

The processing duration is calculated as described in Section 3.2.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

4.3.2.2 Last Mile Impact

The proposed SPM system will randomly select delivery points, including P.O. Boxes, for last mile measurement, and include a variety of mailpiece shapes and characteristics to reflect a mix of First-Class Mail delivery scenarios subject to the same service standards. These randomly-selected delivery point sample requests will be encrypted and transmitted to mailpiece scanning devices of postal delivery and box section personnel, where they will lay dormant until, for example, a letter carrier breaches the geo-fences surrounding a delivery point identified in the encrypted message. At that point, the carrier will be prompted to scan all of the mailpieces for that delivery point.

The delivery scan will provide the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for presorted First-Class Mail, including that which does not receive a delivery scan.

4.3.2.3 Service Performance Calculations

Service performance estimates for presorted First-Class Mail are comprised of processing and delivery performance estimates. Processing performance is estimated using the transit-time duration, in days, of Full Service Intelligent Mail data from “Start-the-Clock” to Anticipated Date of

Delivery, and adjusted based on the Last Mile delivery factor. The Postal Service will create a profile of performance by calculating the proportion of volume processed early, on time, and late, relative to the service standard. The Postal Service will create a profile for delivery performance, also known as the Last Mile delivery factor, by calculating the proportion of pieces delivered on the anticipated delivery date, one day later than the anticipated delivery date, two days later, etc.

Estimates of on-time performance are created using all possible combinations of processing and delivery performance that reflect on-time performance relative to the service standard. For example, the proportion of mail processed one day early relative to service standard is combined with the proportion of mail processed on time and one day delayed in delivery, in the manner illustrated in Table 4-2 below.

Processing Profile	Percentage	Delivery Profile	Percentage	Contribution to On Time Score	Cumulative On Time Score
1 Day early	9.0	0 Days	95.0	8.55	8.55
		1 Day	5.0	0.45	9.00
On Time	88.0	0 Days	95.0	83.6	92.6
		1 Day	5.0	0.0	92.6
Late	3.0	0 Days	95.0	0.0	92.6
		1 Day	5.0	0.0	92.6

Table 4-2: Example of Presort First-Class Mail On-Time Calculation

4.4 First-Class Mail Parcels[23]

The Postal Service measures service performance for this mail via USPS Tracking barcode scans.

4.4.1 "Start-the-Clock"

Primarily, the "Start-the-Clock" event occurs at retail counters when customers purchase USPS Tracking service for parcels they intend to mail. When postal retail personnel apply the unique USPS Tracking barcode to these parcels, they also scan the barcode using either a Point of Sale (POS) terminal at the retail counter or an Intelligent Mail scanning device. Since the customer is present at the "Start-the-Clock" event and receives a time-stamped receipt with purchase, there are several validation points for the "Start-the-Clock" event.

4.4.2 "Stop-the-Clock"

At delivery, postal personnel scan the USPS Tracking barcode to denote delivery or that delivery was attempted, either of which serves to "Stop-the-Clock" for service performance measurement. More information on delivery and attempted delivery can be found in the Appendix.

[23] In Docket No. MC2015-7, the Postal Service requested to transfer First-Class Mail Parcels from market dominant to competitive product list.

4.5 Reporting for First-Class Mail

4.5.1 Current State

First-Class Mail service performance is publicly reported to the Commission on a quarterly and annual basis, and published on usps.com quarterly. The Postal Service reports on First-Class Mail performance by service standard, i.e. Overnight, Two-Day, and Three-To-Five-Day, for each postal district. Performance for First-Class Mail Single-Piece letters, cards and flats are measured by the EXFC system. First-Class Mail Presort letters/cards are measured by IMAPS. The Postal Service sends performance data for First-Class Mail parcels to the external service performance contractor for consolidated reporting purposes. At this time, the measurement results for First-Class Mail Parcels are based solely on retail parcels mailed over-the-counter with USPS Tracking.

4.5.1.1 Quarterly Reporting

For First-Class Mail Single-Piece, the Postal Service reports on-time service performance separately by day, (i.e., overnight, Two-Day, and Three-To-Five-Day), for each postal district on a quarterly basis. There are separate reports showing origin/destination combined performance for the following First-Class Mail products:

- First-Class Mail Single-Piece Letters and Cards
- First-Class Mail Presort Letters and Cards
- First-Class Mail Flats
- First-Class Mail Parcels

The Postal Service sends performance data for First-Class Mail parcels to the external service performance contractor for consolidated reporting purposes. In addition to the on-time service performance reports, similar reports are also produced to show service variance. These reports show the percent of mail delivered within one-day, two-days, and three-days of the applicable standard.

Service performance reports include the following items:

- A narrative describing the measurement approach, limitations and any exceptions.
- Quarterly scores at the district, area, and national levels for Overnight, Two-Day, and Three-To-Five-Day service standards.
- Year-to-Date scores at the district, area, and national levels for Overnight, Two-Day, and Three-To-Five-Day service standards.
- Quarterly Aggregation showing the formulae for calculating area and national level service performance scores from the district scores. The aggregation is the summation across districts within an area of the service scores multiplied by the weights. The reports also show the measured volume of pieces.
- Various Year-to-Date Aggregation reports showing the formulae for calculating year-to-date scores from the quarterly scores. Scores are calculated by summing across quarters the service scores multiplied by the proportion each quarter represented of the year. For Single-Piece Letters/Cards and Flats, the aggregation is slightly different, using weights and delivery days in the quarter in place of the proportion.
- Delivery Factor reports for Presort Letters/Cards and Flats showing the Last Mile Impact at the district, area, and national levels for each service standard. The Last Mile Impact represents

the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

4.5.1.2 Annual Reporting

Separate national measures are compiled at the end of the fiscal year for each First-Class Mail shape (Letters/Cards, Flats and Parcels) and by service standard (One-Day, Two-Day, and Three-To-Five-Day).

The annual performance report shows the service performance for each First-Class Mail product against the target, along with the aggregation methodology. The report includes the following:

- A narrative describing the methodology, limitations and any exceptions.
- On-Time Performance showing the annual national level service performance by service standard, along with the annual targets.
- Aggregation showing the formulae used for calculating annual scores based on the quarterly scores. The aggregation is the summation across quarters of the service scores multiplied by weights multiplied by the delivery days in the quarter, divided by the sum of the weights multiplied by the delivery days.

4.5.1.3 Public Reporting

The Postal Service provides simplified service performance reports available quarterly at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML versions, show separate service performance scores for Single-Piece First-Class Mail and Presort First-Class Mail. These reports combine Single-Piece mail across all shapes (letters, cards, flats, and parcels). The Presort First-Class Mail report shows scores for letters, cards, and flats. The reports include the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at district, area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

4.5.2 Future State

The Postal Service will publicly report First-Class Mail service performance data to the Commission on a quarterly and annual basis, and will publish SPM data on usps.com on a quarterly basis. The Postal Service reports on First-Class Mail performance by service standard (i.e., Overnight, Two-Day, and Three-To-Five-Day), for each postal district. Performance for both Single-Piece and Presort First-Class Mail letters, cards and flats are measured by the proposed SPM system. The measurement results for First-Class Parcels will continue to be based solely on retail parcels mailed over-the-counter with USPS Tracking.

4.5.2.1 Quarterly Reporting

For First-Class Mail, the Postal Service reports on-time service performance separately by day (i.e., overnight, Two-Day, and Three-To-Five-Day), for each postal district on a quarterly basis. There are separate reports showing origin/destination combined performance for the following First-Class Mail products:

- Single-Piece First-Class Mail Letters and Cards
- Presort First-Class Mail Letters and Cards
- First-Class Mail Flats
- First-Class Mail Parcels

In addition to the on time service performance reports, similar reports are also produced to show service variance. These reports show the percent of mail delivered within one-day, two-days, and three-days of the applicable standard.

Service performance reports include the following items:

- A narrative describing the measurement approach, limitations and any exceptions.
- Quarterly scores at the district, area, and national levels for Overnight, Two-Day, and Three-To-Five-Day service standards.
- Year-to-Date scores at the district, area, and national levels for Overnight, Two-Day, and Three-To-Five-Day service standards.
- Quarterly Aggregation showing the formulae for calculating area and national level service performance scores from the district scores. The aggregation is the summation across districts within an area of the service scores multiplied by the weights. The reports also show the measured volume of pieces.
- Various Year-to-Date Aggregation reports showing the formulae for calculating year-to-date scores from the quarterly scores. Scores are calculated by summing across quarters the service scores multiplied by the proportion each quarter represented of the year. For Single-Piece Letters/Cards and Flats, the aggregation is slightly different, using weights and delivery days in the quarter in place of the proportion.
- Delivery Factor report for Presort Letters/Cards and Flats showing the Last Mile Impact at the district, area, and national levels for each service standard. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

4.5.2.2 Annual Reporting

Separate national measures are compiled at the end of the fiscal year for each First-Class Mail shape (Letters/Cards, Flats and Parcels) and by service standard (One-Day, Two-Day, and Three-To-Five-Day).

The annual performance report shows the service performance for each First-Class Mail product against the target, along with the aggregation methodology. The report includes the following:

- A narrative describing the methodology, limitations and any exceptions.

- On-Time Performance showing the annual national level service performance by service standard, along with the annual targets.
- Aggregation showing the formulae used for calculating annual scores based on the quarterly scores. The aggregation is the summation across quarters of the service scores multiplied by weights multiplied by the delivery days in the quarter, divided by the sum of the weights multiplied by the delivery days.

4.5.2.3 Public Reporting

The Postal Service posts a simplified service performance reports on a quarterly basis at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. These reports, available in both PDF and HTML versions, show separate service performance scores for First-Class Mail Single-Piece and First-Class Mail Presort. These reports show combined scores for First-Class Mail Single-Piece across all products (letters, cards, flats, and parcels) and for First-Class Mail Presort across all products (letters, cards, and flats). The reports include the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/destination composite scores for the quarter at district, area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

5. Single-Piece First-Class Mail International

5.1 Current State

The United States Postal Service accepts outbound Single-Piece First-Class Mail International[24] pieces for processing and dispatches them to foreign postal administrations for delivery to the destination address. The service standard for the outbound domestic transit of this mail is the same as for First-Class Mail pieces from the domestic 3-digit ZIP Code of origin to the domestic 3-digit ZIP Code area in which the Postal Service International Service Center (ISC) designated for that origin and product is located.[25]

Inbound Single-Piece First-Class Mail International originates from other countries and is destined for delivery to addresses in 3-digit ZIP Code areas of the United States. The service standard for

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[24] Outbound Single-Piece First-Class Package International Service is a competitive product and the Postal Service is not required to measure service performance. Inbound Letter Post is currently being measured for service performance using several methods which produce a combined score for the entire product. Inbound Letter Post, which includes letters, cards, flats and packets, utilizes First-Class Mail Parcels as a proxy for the packet component of the overall service performance measurement for Inbound Letter Post.

[25] The postal mail processing network includes a handful of ISCs. With the exception of outbound letters and flats, each ISC serves a region of the postal network and is responsible for conducting the initial international processing for inbound international mail or the final international processing for outbound international mail. Outbound international letters and flats are processed through the ISC at JFK airport. For all other outbound mail, the ISC for a postal network region may be the gateway facility from which mail is dispatched to foreign postal operations. In a small percentage of cases, outbound mail may be transported from its designated ISC to another ISC for the outbound gateway processing that precedes its exit from the postal network.

the inbound domestic transit of this mail is the same as for First-Class Mail that originates from the 3-digit ZIP Code in which the designated ISC is located to the 3-digit ZIP Code area of the delivery address.

Service performance for the domestic transit of both inbound and outbound Single-Piece First-Class Mail International is measured through the International Mail Measurement System (IMMS), which is operated by an external service performance measurement contractor.

IMMS utilizes only letter-shaped mailpieces, which is the predominant shape of both outbound and inbound Single-Piece First-Class Mail International. The processing of Single-Piece First-Class Mail International -- during either outbound transit from domestic origin to the designated ISC or inbound transit from the designated ISC to the domestic delivery address -- is the same as for domestic Single-Piece First-Class Mail letters, flats, and parcels, which are discussed above in Sections 4.2 and 4.3.2.3, respectively. The domestic transit service standards are the same. Accordingly, the Postal Service will use service performance data for domestic Single-Piece First-Class Mail flats and parcels (USPS Tracking) as a proxy for estimating the service performance for outbound and inbound Single-Piece First-Class Mail International flats and inbound letter post parcels.

5.1.1 “Start-the-Clock”

To measure outbound Single-Piece First-Class Mail International letters service performance, the independent third party creates sample international pieces. The date and time that the test pieces are dropped into collection boxes or business mail chutes is the “Start-the-Clock” event reported by droppers acting under the direction of the independent third party.

To test inbound Single-Piece First-Class Mail International letter service performance, sample letters addressed to reporters in the United States employed by the independent third party are mailed from foreign countries by droppers also employed by the IMMS service performance measurement contractor, which has worldwide operations. To maintain the confidentiality of the program, the identities and addresses of the reporters and droppers (as well as the participating foreign countries of the droppers and receivers) are known only to the contractor.

The inbound “Start-the-Clock” tracking begins with the date and time of the first Postal Service scan of the Intelligent Mail barcode on a piece at the ISC that first handles the mail. Mail pieces received at the designated ISC on a Sunday or holiday have a “Start-the-Clock” date of the next processing date.

5.1.2 “Stop-the-Clock”

As an outbound international mail letter travels through the Postal Service’s mail processing system, the barcode information on the piece is captured and used to measure its progress. When the letter is sorted at the designated ISC, it receives an ID tag and/or processing scan. The “Stop-the-Clock” for an outbound mailpiece is the date of the last scan at this facility. The number of transit days for outbound mail is the difference between the induction date and the last read at the designated ISC. Because the “Stop-the-Clock” event takes place at an ISC, as opposed to a delivery point, the transit days calculation includes Sundays and holidays.

An inbound international mail letter flows through the Postal Service network from the ISC to the delivery addresses. The “Stop-the-Clock” event data for inbound mailpieces are the dates on which

they are delivered to reporters employed by the service measurement contractor. The reporter is responsible for receiving the mail and reporting the date of delivery. The number of transit days for inbound test mail is the difference between the delivery date and the date of the first read or ID tag at the designated ISC. The service performance is calculated in the same method as described in the Glossary.

Because the service standards for outbound and inbound single-piece First-Class Mail International flats and inbound parcels are based on the domestic transit of such mail, on-time performance is measured against the same set of origin-destination 3-digit ZIP Code area service standards as domestic First-Class Mail.

5.2 Future State

No changes from the current measurement approach are planned for the measurement of international letters. To measure the service performance for outbound First-Class Mail International flats and inbound Letter Post flats, IMMS will be expanded to include flats to eliminate the need for domestic proxy data from EXFC. As another enhancement, international inbound packets will be measured to replace the current domestic First-Class Mail parcels proxy. The methodology employed will closely follow the approach used for First-Class Mail parcels described in Section 4.4, using the Intelligent Mail package barcode (IMpb) and USPS Tracking service. For the subset of inbound letterpost packets with scanning events, specifically ePacket and PRIME, the “Start-the-Clock” event will be the “Out of Customs” scan at the ISC. Just like for all other parcels, the “Stop-the-Clock” event will be the delivery or attempted delivery scan. All other aspects of measurement remain the same.

5.3 Reporting Single-Piece First-Class Mail International

5.3.1 Quarterly Reporting

Since not all postal administrative districts have sufficient international volumes for statistically representative reporting, the Postal Service reports international quarterly service performance at a postal administrative area level, as well as for the nation. Each measurement includes the percent delivered on time for outbound and for inbound Single-Piece First-Class Mail International. All scores are weighted at the area level using proportions derived from a rolling average of estimated volumes for 12 fiscal quarters. The service variance for Single-Piece First-Class Mail International is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable service standard.

The quarterly reports include the following information:

- Narrative explaining the measurement approach and any exceptions and limitations.
- Quarterly service performance scores for Inbound and Outbound mail at the district level combined across service standards, and at the national level by service standard and combined.
- Year-to-Date service performance scores for Inbound and Outbound mail at the district level combined across service standards, and at the national level by service standard and combined.
- Inbound and Outbound Quarterly Aggregation reports showing the formulae for calculating the Overall scores by aggregating across scores for letters, flats, and parcels. The aggregation is

the summation of service scores multiplied by the proportion that each shape represents of the total. Aggregation includes national level results for each service standard and the aggregation formulae for overall area level scores combined across service standards. The reports also include the measured volume of letters.

- Year-to-Date Aggregation-1 showing the formulae for calculating the overall scores from the scores for each shape. The formulae are the summation of the year-to-date shape-level scores multiplied by the proportion each shape represented of the total. This report relies on information in the next report.
- Year-to-Date Aggregation-2 showing the formulae for calculating the year-to-date letters scores from the quarterly scores. The formulae include the summation of the product of the scores, the weights, and the delivery days in the quarter, divided by the summation of the weights multiplied by the delivery days. Aggregation details for flats and parcels are not shown in this report because they are proxy results and can be found in other reports.

Examples of the reports provided to Commission are provided in Section 10.7.

5.3.2 Annual Reporting

The Postal Service's Annual Compliance Report includes the national measures per fiscal year for the percentage of outbound and inbound Single-Piece First-Class Mail International delivered on time. Annual performance consists of a weighted average that allots weight based on the volume of mail in each of the seven postal administrative areas. If the data are not representatively distributed, the weighting ensures that each area counts for the appropriate portion of the national aggregate.

The Annual Compliance Report format for the Single-Piece First-Class Mail International includes the following items:

- Narrative explaining the measurement approach, limitation and exceptions
- The national level service performance scores by service standard and across the service standards, along with the annual target. Scores are shown for Inbound and Outbound separately.
- Aggregation-1 report showing the formulae used for calculating the overall scores across the shapes, using the proportions each shape represents to weight the annual shape-level scores. The report relies on information in the next report.
- Aggregation-2 showing the formulae used for calculating the annual letters scores from the quarterly scores. The aggregation is the summation of the product of service scores, weights, and delivery days in each quarter, divided by the summation across quarters of the weights multiplied by the delivery days. Volumes shown represent the number of measured pieces

5.3.3 Public Reporting

The Postal Service provides a service performance report available quarterly at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for areas and the nation for Inbound, Outbound, and Inbound/Outbound Combined categories. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.

- Origin/Destination composite scores for the quarter at area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

6. Standard Mail

6.1 Background

Standard Mail has the largest annual volume of any mail product. There are seven segments within Standard Mail as listed below, not including special negotiated service agreements:

- High Density and Saturation Letters
- High Density and Saturation Flats & Parcels
- Carrier Route
- Letters
- Flats
- Parcels
- Every Door Direct Mail-Retail

The measurement approach for Standard Mail is very similar across many of the segments and will be described in the sections that follow.

6.2 Current State

6.2.1 Standard Mail Letters

The primary induction method for Standard Mail non-saturation, saturation, and high-density letters is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, mail processing scans, and in-home IMb delivery scan data provided by external reporters.

6.2.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers schedule appointments for Standard Mail letters in the Postal Service’s Facility Access and Shipment Tracking (FAST) system for DNDC, DADC and DSCF drop shipments. The “Start-the-Clock” is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.1.2.

6.2.1.2 Last Mile Impact

External reporters are equipped with IMb scanners for recording the delivery event for all mail they receive containing an IMb and transmitting data to the external reporting system. By comparing the delivery date anticipated based upon the final postal mail processing scan with the actual receipt date for these pieces, the external service performance measurement contractor calculates a delivery factor for Standard Mail letters. This delivery factor is used to estimate the delivery times for all Full Service IMb Standard Mail letters in order to determine overall service performance, as described in Section 4.3.1.3.

6.2.2 Standard Mail Non-Saturation Flats

Non-Saturation flats are included within the following segments: High Density Flats, Carrier Route, and Flats. The primary induction method for Standard flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and in-home IMb delivery scan data provided by external reporters.

6.2.2.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation criteria. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers create appointments for Standard Mail flats in the Postal Service’s Facility Access and Shipment Tracking (FAST) system at DNDC, DADC and DSCF facilities. The “Start-the-Clock” is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.1.2.

6.2.2.2 Last Mile Impact

External reporters are equipped with IMb scanners for use in recording the delivery event for individual mailpieces that bear an IMb and transmitting data to the external reporting system. By comparing the delivery date anticipated based on the final postal mail processing scan with the receipt date for these pieces, the external service measurement contractor can calculate a delivery factor for the service performance of Standard Mail flats. This delivery factor is used to estimate the delivery times for all Full Service IMb flats to determine the overall service performance measurement for Standard Mail flats.

6.2.3 Standard Mail Saturation Flats

For Standard Mail saturation flats, the primary induction method is Sectional Center Facility or Delivery Unit dropped bundles and saturation trays. Due to the distinct characteristics of saturation flats, the Postal Service measures this mail type using the following measurement approach.

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 of a barcode that is on a placard affixed to the wall in the carrier unit when the carrier returns from the route. Service performance is measured by comparing the delivery date to the end date of the mailer requested in-home window to determine the percent delivered on time.

The Postal Service provides the service performance data collected to the independent third party. The contractor matches those data with the delivery dates reported by anonymous household "reporters" reporting the receipt of these same Saturation mailings to validate the accuracy of the carrier scans. Data for districts passing the validation threshold level are used in service performance reports. Data are excluded in cases where the validation threshold is not achieved or when the number of carrier scans fall below the pre-established minimum. For the valid data, service performance scores for DDU-entry Saturation Flats Mail are calculated by the independent third party for inclusion in Standard Mail reports.

6.2.4 Standard Mail Parcels

Standard Mail parcel shippers may choose to purchase special services such as USPS Tracking for their mail. The Postal Service performs service measurement on Standard Mail parcels that pass verification and use USPS Tracking service. For reporting purposes, results are calculated by the Postal Service then sent to the external measurement contractor for inclusion into Standard Mail results. Full Service includes electronic submission of postage statements and mailing documentation, unique Intelligent Mail Package barcodes, unique Intelligent Mail Container barcodes, and appointment scheduling for drop shipments at DNDC, DADC and DSCF facilities. These requirements are separate from addressing, presortation, containerization, or other specifications generally governing price eligibility.

6.2.4.1 "Start-the-Clock"

The "Start-the-Clock" for Standard Mail parcels is the documented arrival time at the Postal Service facility.

6.2.4.2 "Stop-the-Clock"

Postal personnel scan USPS Tracking barcodes upon delivery of parcels for which USPS Tracking service has been purchased. They can denote the delivery or attempted delivery, either of which serves to "Stop-the-Clock."

6.2.5 Reporting for Standard Mail

6.2.5.1 Quarterly Reporting

Quarterly reporting for Standard Mail reflects performance by postal district separately for destination entry mail and end-to-end mail and for service standard groupings. The reports are produced for each Standard Mail product including the following:

- Saturation and High-Density Letters

- Saturation and High-Density Flats and Parcels
- Carrier Route
- Letters
- Flats
- Parcels

While most mailers are required to provide electronic documentation to allow the assignment of Standard Mail product to each piece of mail measured, small Full Service mailings are allowed to use documentation tools that do not provide piece-level detail. As a result, the Postal Service is unable to categorize the product for some pieces even though all other critical measurement attributes are available. To avoid the systematic exclusion of such mail, which might bias the results given the nature of mailers using this documentation method, the Postal Service also provides reports for these pieces, labeled “Mixed Product Letters” and “Mixed Product Flats.”

The Postal Service sends performance data for Standard Mail parcels to the external service performance contractor for consolidated reporting purposes.

Standard Mail reports consist of both service performance and service variance reports. The service performance report shows the percent of mail delivered within the service standard.

The service variance for Standard Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. All reports are shown as origin/destination combined scores, meaning that the scores are the aggregation of how the district or area performed on mail originating there and for mail destinating there. In this calculation, each piece of mail is counted twice, once based on the origin and once based on the destination.

The Standard Mail service performance reports each contain a number of tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions.
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval.
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information.
- Standard Mail Overall Quarterly Aggregation showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for the product for the quarter, using the scores and national level proportions applied to each district, area, and national score. This step of aggregation relies on information from the next two aggregation reports.
- Standard Mail Destination Entry Aggregation showing the formulae for aggregating scores from districts up to the areas and the nation within a destination-entry service standard category. The aggregation is the summation of the service scores multiplied by the weights for districts within the area, and the areas up to the nation’s scores. The report also includes volume information, indicating the number of pieces included in the scoring.
- Standard Mail End-to-End Quarterly Aggregation-1 showing the formulae for aggregating across the service standard groups to calculate the overall score for end-to-end mail. The aggregation is the summation across the service standard groups of the multiplication of

service scores and weights, divided by the sum of the weights. This step relies on information from the next aggregation report.

- Standard Mail End-to-End Quarterly Aggregation-2 showing the formulae for calculating area and national scores from the district scores for each End-to-End service standard group. Aggregation is the summation across the districts within an area of the multiplication of service scores and weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported service standard group and entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for each district, area, and the nation. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

6.2.5.2 Annual Reporting

The Postal Service reports a national aggregate measure per fiscal year for the percentage of Standard Mail delivered on time by product. It consists of a weighted average for each Standard Mail product that allots weight based on the volume of mail in each postal administrative district.

The annual report includes three tabs:

- Standard Mail On-Time Performance showing the national level targets and service scores achieved for the year for each Standard Mail product.
- Aggregation showing the formulae for aggregating the quarterly scores up to the annual score by summing up the service scores multiplied by the proportion each quarter represented of the year.
- Aggregation for High Density and Saturation Flats is displayed in its own report in order to show the volumes for DDU-entry Saturation flats separate from other High Density and Saturation flats due to the different measurement approaches.

6.2.5.3 Public Reporting

The Postal Service also provides simplified quarterly reports for Standard Mail service performance and service variance which are posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for districts, areas, and the nation across Standard Mail products and across service standards. The reports show performance for Destination Entry and End-to-End mail separately. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at district, area, and national levels.

- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

6.3 Future State

6.3.1 Standard Mail Letters

The primary induction method for Standard Mail non-saturation, saturation, and high-density letters is bulk entry. The Postal Service will base service performance measurement on the documented arrival time at the postal facility where the mail is accepted, mail processing scans, and IMb delivery scan data provided by carrier sampling delivery scans.

6.3.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers schedule appointments for Standard Mail letters in the Postal Service’s Facility Access and Shipment Tracking (FAST) system for DNDC, DADC and DSCF drop shipments. The “Start-the-Clock” is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.2.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

6.3.1.2 Last Mile Impact

The proposed SPM system will randomly select delivery points for last mile measurement, that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests will be encrypted and transmitted to the carrier scanning devices, where they will lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier will be prompted to scan all of the mailpieces for that delivery point.

The delivery scan will provide the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

6.3.2 Standard Mail Non-Saturation Flats

Non-Saturation flats are included within the following segments: High Density Flats, Carrier Route, and Flats. The primary induction method for Standard flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and IMb delivery scan data provided by carrier sampling delivery scans.

6.3.2.1 Processing Duration

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets mail preparation criteria. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers create appointments for Standard Mail flats in the Postal Service’s Facility Access and Shipment Tracking (FAST) system at DNDC, DADC and DSCF facilities. The “Start-the-Clock” is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.2.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

6.3.2.2 Last Mile Impact

The proposed SPM system will randomly select delivery points for last mile measurement, that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests will be encrypted and transmitted to the carrier scanning devices, where they will lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier will be prompted to scan all of the mailpieces for that delivery point.

The delivery scan will provide the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

6.3.3 Standard Mail Saturation Flats

For Standard Mail saturation flats, the primary induction method is Sectional Center Facility or Delivery Unit dropped bundles and saturation trays. Due to the distinct characteristics of saturation flats, the Postal Service will measure this mail type using the following measurement approach.

he service performance measure for 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 delivery date to the end date of the mailer requested in-home window to determine the percent delivered on time.

6.3.4 Standard Mail Parcels

For parcel-shaped Standard Mail, the Postal Service will use a measurement approach that combines processing duration with Last Mile Impact, as calculated based on carrier sampling.

Full Service includes electronic submission of postage statements and mailing documentation, unique Intelligent Mail Container barcodes, and appointment scheduling for drop shipments at DNDC, DADC and DSCF facilities. These requirements are separate from addressing, presort containerization, or other specifications generally governing price eligibility.

6.3.4.1 Processing Duration

The proposed SPM system will continue to use documented arrival time at the postal facility to "Start-the-Clock," and a carrier will scan a wall barcode within the Delivery Unit to capture the "Stop-the-Clock".

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

6.3.4.2 Last Mile Impact

The proposed SPM system will randomly select delivery points for last mile measurement, that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests will be encrypted and transmitted to the carrier scanning devices, where they will lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier will be prompted to scan all of the mailpieces for that delivery point.

The delivery scan will provide the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

6.3.5 Reporting for Standard Mail

6.3.5.1 Quarterly Reporting

Quarterly reporting for Standard Mail reflects performance by postal district separately for destination entry mail and end-to-end mail and for service standard groupings. The reports are produced for each Standard Mail product including the following:

- Saturation and High Density Letters
- Saturation and High-Density Flats and Parcels

- Carrier Route
- Letters
- Flats
- Parcels

While most mailers are required to provide electronic documentation to allow the assignment of Standard Mail product to each piece of mail measured, small Full Service mailings are allowed to use documentation tools that do not provide piece-level detail. As a result, the Postal Service is unable to categorize the product for some pieces even though all other critical measurement attributes are available. To avoid the systematic exclusion of such mail, which might bias the results given the nature of mailers using this documentation method, the Postal Service also provides reports for these pieces, labeled “Mixed Product Letters” and “Mixed Product Flats.”

Standard Mail reports consist of both service performance and service variance reports. The service performance report shows the percent of mail delivered within the service standard.

The service variance for Standard Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. All reports are shown as origin/destination combined scores, meaning that the scores are the aggregation of how the district or area performed on mail originating there and for mail destinating there. In this calculation, each piece of mail is counted twice, once based on the origin and once based on the destination.

The Standard Mail service performance reports each contain a number of tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions.
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval.
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information.
- Standard Mail Overall Quarterly Aggregation showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for the product for the quarter, using the scores and national level proportions applied to each district, area, and national score. This step of aggregation relies on information from the next two aggregation reports.
- Standard Mail Destination Entry Aggregation showing the formulae for aggregating scores from districts up to the areas and the nation within a destination-entry service standard category. The aggregation is the summation of the service scores multiplied by the weights for districts within the area, and the areas up to the nation’s scores. The report also includes volume information, indicating the number of pieces included in the scoring.
- Standard Mail End-to-End Quarterly Aggregation-1 showing the formulae for aggregating across the service standard groups to calculate the overall score for end-to-end mail. The aggregation is the summation across the service standard groups of the multiplication of service scores and weights, divided by the sum of the weights. This step relies on information from the next aggregation report.
- Standard Mail End-to-End Quarterly Aggregation-2 showing the formulae for calculating area and national scores from the district scores for each End-to-End service standard group. Aggregation is the summation across the districts within an area of the multiplication of service

scores and weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.

- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported service standard group and entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for each district, area, and the nation. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

6.3.5.2 Annual Reporting

The Postal Service reports a national aggregate measure per fiscal year for the percentage of Standard Mail delivered on time by product. It consists of a weighted average for each Standard Mail product that allots weight based on the volume of mail in each postal administrative district.

The annual report includes three tabs:

- Standard Mail On-Time Performance showing the national level targets and service scores achieved for the year for each Standard Mail product.
- Aggregation showing the formulae for aggregating the quarterly scores up to the annual score by summing up the service scores multiplied by the proportion each quarter represented of the year.
- Aggregation for High Density and Saturation Flats is displayed in its own report in order to show the volumes for DDU-entry Saturation flats separate from other High Density and Saturation flats due to the different measurement approaches.

6.3.5.3 Public Reporting

The Postal Service also provides simplified quarterly reports for Standard Mail service performance and service variance which are posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for districts, areas, and the nation across Standard Mail products and across service standards. The reports show performance for Destination Entry and End-to-End mail separately. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite scores for the quarter at district, area, and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

7. Periodicals

7.1 Background

Periodicals consist of letter-and flat-shaped pieces, with the vast majority being flat-shaped. Most periodicals are destination-dropped at DDU, SCF, ADC, and NDC, but many are also entered to travel through the postal network, referred to as end-to-end.

7.2 Current State

7.2.1 Periodicals Letters & Flats

The primary induction method for Periodicals letters and flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and in-home IMb delivery scan data provided by external reporters.

7.2.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail is included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers schedule appointments for Periodicals in the Postal Service’s Facility Access and Shipment Tracking (FAST) system for DNDC, DADC and DSCF drop shipments. The “Start-the-Clock” is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.1.2.

7.2.1.2 Last Mile Impact

External reporters are equipped with IMb scanners for recording the delivery event for all mail they receive containing an IMb and transmitting data to the external reporting system. By comparing the delivery date anticipated based on the final postal mail processing scan with the actual receipt date for these pieces, the external service performance measurement contractor calculates a delivery factor for Periodicals Mail. This delivery factor is used to estimate the delivery times for all Full Service IMb Periodicals Mail in order to determine overall service performance, as described in Section 4.3.1.3.

7.2.2 Reporting for Periodicals

7.2.2.1 Quarterly Reporting

Quarterly reporting for Periodicals Mail reflects performance by postal area separately for destination entry mail and end-to-end mail, as well as overall for Outside County Periodicals. Within County Periodicals have not had sufficient measurable IMb volume and representative geographic coverage to report service performance. As a result, the reports use all Periodicals as a proxy for the performance of Within County Periodicals

The service variance for Periodicals Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard.

The Periodicals service performance reports each contain a number of tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information
- Periodicals Outside County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Outside County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodical Outside County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Periodicals Within County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Within County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodical Within County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for Outside County for each area and the nation and the overall Last Mile Impact for Within County mail. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final

automated processing with the service performance of mail measured from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

7.2.2.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Within County and Outside County Periodicals mail delivered on time. The report includes two tabs:

- Periodicals On Time Performance showing the annual scores and targets for Within County and Outside County Periodicals.
- Aggregation showing the formulae for calculating the annual scores. The annual score is the product of the quarterly service score and the proportion each quarter represents of the year. Volumes are also shown to provide information on the number of measured pieces included in the reports.

7.2.2.3 Public Reporting

The Postal Service provides a simplified quarterly report of Periodicals performance which is posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for areas and the nation for all Periodicals mail. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter
- Origin/Destination composite scores for the quarter at area and national levels
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons
- Annual performance targets

7.3 Future State

7.3.1 Periodicals Letters & Flats

The primary induction method for Periodicals letters and flats is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, processing scan information, and IMb delivery scan data provided by carrier sampling delivery scans.

7.3.1.1 Processing Duration

Full Service IMb mailers are required to prepare mail with IMbs and submit electronic mailing documentation listing the IMbs used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail is included in service performance measurement, but it may have a new “Start-the-Clock” Day-0. Drop shipment mailers schedule appointments for

Periodicals in the Postal Service's Facility Access and Shipment Tracking (FAST) system for DNDC, DADC and DSCF drop shipments. The "Start-the-Clock" is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

The processing duration is calculated as described in Section 3.2.2.

Mail that does not receive any Postal Service processing scan is excluded from service performance measurement.

7.3.1.2 Last Mile Impact

The proposed SPM system will randomly select delivery points for last mile measurement, that cumulatively cover a variety of shapes and characteristics representing a mix of all service standards. These randomly-selected delivery point sample requests will be encrypted and transmitted to the carrier scanning devices, where they will lay dormant until the carrier breaches the geo-fences surrounding the associated delivery points. When the carrier enters the geo-fence, the carrier will be prompted to scan all of the mailpieces for that delivery point.

The delivery scan will provide the actual date of delivery. The actual date of delivery is compared to the anticipated date of delivery, as calculated based on the last processing operation and operation clearance time, to determine the Last Mile Impact. This delivery factor is combined with postal mail processing data to determine the overall service performance measurement for all measurable mail, including that which does not receive a delivery scan.

7.3.2 Reporting for Periodicals

7.3.2.1 Quarterly Reporting

Quarterly reporting for Periodicals Mail reflects performance by postal area separately for destination entry mail and end-to-end mail, as well as overall for Outside County Periodicals. Within County Periodicals have not had sufficient measurable IMb volume and representative geographic coverage to report service performance. As a result, the reports use all Periodicals as a proxy for the performance of Within County Periodicals

The service variance for Periodicals Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard.

The Periodicals service performance reports each contain a number of tabs, showing both quarterly and year-to-date service performance results along with scoring aggregation details. The reports contain the following information:

- Narrative tab describing the measurement methodology and any limitations and exceptions.
- Quarterly scores, along with information about statistical precision of the estimates shown in the form of ranges and the corresponding upper and lower bounds of a 95% confidence interval
- Year-to-Date scores showing scores for the current fiscal year to date, including precision information.

- Periodicals Outside County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Outside County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodicals Outside County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Periodicals Within County Aggregation-1 showing the formulae for aggregating destination entry and end-to-end scores up to an overall score for Within County Periodicals for the quarter, using the scores and national level proportions applied to each area and national score. This step of aggregation relies on information from the next aggregation report.
- Periodical Within County Aggregation-2 showing the formulae for aggregating scores from areas up to the nation for destination entry and end-to-end mail. The aggregation is the summation across areas of the service scores multiplied by the weights divided by the sum of the weights. The report also includes volume information, indicating the number of pieces included in the scoring.
- Multiple Year-to-Date Aggregation reports show the formulae for calculating the year-to-date score for each reported entry type. The aggregation is the summation across quarters of the service performance score multiplied by the proportion each quarter represented of the annual total divided by the sum of the proportions.
- Delivery Factor showing the Last Mile Impact for Destination Entry and End-to-End scores for Outside County for each area and the nation and the overall Last Mile Impact for Within County mail. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail measured from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

7.3.2.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Within County and Outside County Periodicals mail delivered on time. The report includes two tabs:

- Periodicals On Time Performance showing the annual scores and targets for Within County and Outside County Periodicals.
- Aggregation showing the formulae for calculating the annual scores. The annual score is the product of the quarterly service score and the proportion each quarter represents of the year. Volumes are also shown to provide information on the number of measured pieces included in the reports.

7.3.2.3 Public Reporting

The Postal Service provides a simplified quarterly report of Periodicals performance which is posted at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for areas and the nation for all Periodicals mail. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Origin/Destination composite cores for the quarter at area and national levels.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

8. Package Services

8.1 Background

Market-dominant Package Services products include Bound Printed Matter Flats, Bound Printed Matter Parcels, and Media/Library Mail[26]. Presort Package Services flat-shaped mail is mainly composed of oversized catalogs, which are operationally handled the same as Standard Mail flats. Accordingly, the Postal Service measures Presort Package Services flats using the same approach as non-saturation Standard Mail flats. For retail and presort parcel-shaped pieces, the measurement approach is outlined below.

8.2 Retail Package Services Parcels

The Postal Service measures service performance for Package Services parcel-shaped mail via USPS Tracking scans.

8.2.1 "Start-the-Clock"

The "Start-the-Clock" for Retail Package Services mail occurs at the retail counter when the customer purchases USPS Tracking. When retail personnel apply the USPS Tracking barcode to parcels, they scan the USPS Tracking barcode. The scans are captured via a POS terminal at the retail counter or an Intelligent Mail handheld scanning device. Because the customer is present at the "Start-the-Clock" event and receives a time-stamped receipt with purchase, there are several validation points.

8.2.2 "Stop-the-Clock"

Postal personnel scan the USPS Tracking barcodes upon delivery or attempted delivery, either of which serves to "Stop-the-Clock".

8.3 Presort Package Services

The Postal Service performs service measurement on presorted mail that passes verification and uses USPS Tracking service or the IMb. Service performance preparation requirements include

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[26] As a result of PRC Order No. 2160, ISPP has now been transferred to the competitive products list.

electronic submission of postage statements and mailing documentation (when required), unique Intelligent Mail® Package barcodes or IMbs, unique Intelligent Mail® Container barcodes, and appointment scheduling for drop shipments at DNDC, DADC and DSCF facilities. These requirements are separate from addressing, presortation, containerization, or other requirements generally governing price eligibility.

8.3.1 "Start-the-Clock"

The "Start-the-Clock" for Presort Package Services is the documented arrival time at the Postal Service acceptance facility. For drop shipments at DNDC, DADC and DSCF facilities, the "Start-the-Clock" event is based on the customer's documented appointment and the driver-reported arrival time to the Postal Service, which are used to determine when the mail is available for processing. For mail that is presented at the BMEU, the arrival of the mailing is used as the "Start-the-Clock" as long as the mailing meets applicable preparation and service measurement requirements. For mail that is presented at the Delivery Unit, USPS Tracking or Intelligent Mail Container barcode scan events are used to "Start-the-Clock". As with other mailings that enter a postal facility loading dock area, the Postal Service scans containers that have an Intelligent Mail Container barcode or uses electronic documentation to validate mailer shipment content and acceptance time.

8.3.2 "Stop-the-Clock"

For Package Services parcels, postal personnel scan USPS Tracking barcodes upon delivery or attempted delivery, either of which serves to "Stop-the-Clock" for service performance measurement. For flats, mailpieces from randomly-selected delivery points are scanned by carriers to record delivery events. By comparing the date of the final postal mail processing scan with the delivery date for these pieces, the proposed SPM system can calculate a factor for the service performance for Package Services flats. The delivery factor is combined with the mail processing data to determine overall service performance, as described in Section 4.3.1.3.

8.4 Reporting for Package Services

8.4.1 Quarterly Reporting

The Postal Service reports quarterly on the percentage of mail that is delivered on time by Package Service product generally shown for Destination Entry, End-to-End and overall at the district, area, and national levels. Service variance is also reported in a separate but similar set of reports for each Package Services product. The quarterly reports for Package Services parcels include the following:

- Narrative describing the measurement approach, any exceptions and limitations.
- Quarterly service performance scores at the district, area, and national levels showing scores for Destination Entry, End-to-End and Overall.
- Year-to-Date performance scores for the product at district, area, and national levels by Destination Entry, End-to-End, and Overall.
- Quarterly Aggregation-1 showing the formulae for calculating the Overall score from the Destination Entry and End-to-End scores for each district, area, and the nation. The

aggregation is the summation of performance scores multiplied by the volume, divided by the total volume measured. This report relies on information in the next report.

- Quarterly Aggregation-2 showing the formulae for calculating the area and nation scores for Destination Entry and End-to-End mail based upon the district scores. The aggregation is the summation of district performance scores multiplied by the measured volume, divided by the sum of the volume across districts.
- Multiple Year-to-Date Aggregation reports showing the formulae for calculating the year-to-date scores from the quarterly scores and volumes. The aggregation is simply the summation of the service performance scores multiplied by the measured volumes, divided by the sum of the volumes.
- Delivery Factor report showing the Last Mile Impact for Destination Entry and End-to-End Bound Printed Matter flats for each district, area, and nation. The Last Mile Impact represents the percentage of mail which moved from on time to late when comparing the service performance of mail from start-the-clock to final automated processing with the service performance of mail measured from start-the-clock to delivery.

Examples of the reports provided to Commission are provided in Section 10.7.

8.4.2 Annual Reporting

Because the volume of Inbound Surface Parcel Post at UPU rates is very low, service performance for the competitive product Standard Post (formerly the market dominant product Single-Piece Parcel Post) are used as a proxy to represent the performance on the domestic leg from International Service Center to delivery within the U.S. Reports follow the same format as described above, but are shown at the area and national levels.

The Postal Service reports national measures per fiscal year for the percentage of Package Services mail delivered on time by Package Services product. The Postal Service's Annual Compliance Report for Package Services includes the following:

- The annual service target and service performance results for each Package Services product at the national level.
- Aggregation report showing the formulae for aggregating across the quarterly scores to the annual score. For parcel-shaped products, the aggregation is simply the summation of service performance scores multiplied by the quarterly measured volume, divided by the total volume measured for the year. For Bound Printed Matter flats, the aggregation uses a proportion which each quarter represents of the year as the weighting factor, rather than the measured volume.

8.4.3 Public Reporting

The Postal Service also reports a simplified measure of Package Services performance in a report available at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for districts, areas, and the nation for all Package Services mail. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.

- Origin/Destination composite scores for the quarter at district, area and national levels. Scores are based on the measured volume for each product. This means that the measured volumes, rather than the population volumes, serve as the weights for each overall service performance score.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets

9. Special Services

9.1 Background

There are two categories of special services: ancillary and stand-alone. Ancillary special services are purchased in addition to the postage applicable to First-Class Mail, Periodicals, Standard Mail, and Package Services. These optional special services are varied in nature and include USPS Tracking, Signature Confirmation, Certified Mail, Electronic Return Receipt, Domestic and Inbound International Registered Mail, Collect on Delivery, and Address Correction Service, among others. In contrast to ancillary special services, stand-alone special services are not contingent on sending or receiving a particular mailpiece and include services such as P.O. Box Service, Address List Services, among others. Special Service measurement is reported by an independent third party.

9.2 USPS Tracking, Signature Confirmation, Certified Mail, Registered Mail, Electronic Return Receipt, and Collect on Delivery

A principal feature of these special services is the electronic provision of information by the Postal Service to the sender regarding the delivery status of a particular mailpiece. That information may consist of confirmation that delivery was attempted, completed, or that a copy of the recipient's signature was captured.

For a number of these services, delivery-related information is generated by postal scanning of mailpieces at delivery units or during delivery. This scanning information is transmitted to the appropriate postal data systems in near real-time. Handheld scanners allow for signatures to be captured at delivery and transmitted with the delivery information. Captured delivery information is then made available to the purchaser of the special service.

The service measurement for USPS Tracking, Signature Confirmation, Certified Mail, Domestic and Inbound International Registered Mail, electronic Return Receipt, and Collect on Delivery uses data generated from delivery event barcode scans to measure the time between when delivery information is collected and when that information is made available to the customer. When the delivery scan event is captured by the handheld scanner, a time-stamp is associated with the scan, which is the "Start-the-Clock". When the scanning device is docked, the delivery scan event information is transmitted through postal data systems to the customer-accessible Track & Confirm page at http://www.usps.com, the Postal Service public website. The posting time to the customer-accessible website is the "Stop-the-Clock".

9.3 Address Correction

The electronic provision of information by the Postal Service to the mailpiece sender is a key component automated Address Correction services as well. The identification of automated Address Correction of applicable mailpieces is performed passively by automated mail processing equipment, which then transmits information to postal data systems. Information from these systems is made available to the purchaser of the special service.

The service measurement for automated Address Correction uses the IMb on individual mailpieces. For automated Address Correction customers, scans are transmitted to the Address Correction System (ACS) at preset intervals during the day and the corrected address information is forwarded to customers who subscribe to the service. The "Start-the-Clock" is the date and time when data are transmitted to ACS. The "Stop-the-Clock" is the date and time when data are forwarded to participants.

9.4 Post Office Box Service

Post Office Box service is internally measured using scanning technology to compare the availability of mail delivered to a P.O. Box section by the posted “uptime”. The “uptime” is the posted time of day when customers can expect to collect the mail from their P.O. Box. A barcode in the P.O. Box section is scanned when the distribution of mail is complete.

9.5 Insurance Claims Processing

The Postal Service’s Customer Inquiry Claims Response System (CICRS) is an application used to process indemnity claims when domestic insured articles are lost or damaged in the mail. For domestic claims, after the customer has submitted the appropriate claim form, Postal Service employees verify completion of the form and submit it for processing to the CICRS system. The claim is keyed into the system and the data are uploaded for processing. For claims that are not complete and that require additional information from the customer, correspondence is mailed to the customer requesting the missing information, with instructions regarding where to send the additional information.

Once all information is received by CICRS, the system proceeds to the claims processing resolution phase. The date that all information is available for claims processing resolution is the “Start-the-Clock”. Depending on the value of the item lost or damaged, the claim may be automatically paid or denied by the system or sent for review by a postal insurance claims adjudicator or the Postal Service Consumer Advocate. The adjudicator or Consumer Advocate decides if the claim should be paid, denied, or closed. The date on which the system, adjudicator, Consumer Advocate pays, denies, or closes the claim and transmits a response to the customer is the “Stop-the-Clock”.

9.6 Postal Money Order Inquiry Processing

The Money Order Inquiry System (MOIS) is an application used to process customer inquiries regarding Postal Money Orders they have purchased. After the customer has completed PS Form 6401 and paid for the inquiry service, Postal Service employees submit the form to a centralized facility for processing. The inquiry is scanned into the system and the data are uploaded for processing. MOIS verifies whether the money order in question has been cashed by running the

money order number against a database of cashed money orders. The system generates correspondence to the inquiring customer regarding the status of the money order in question. The purchase of the inquiry service is the “Start-the-Clock” event. Transmission of a response to the customer is the “Stop-the-Clock” event.

9.7 Address List Services

Address List Services[27] are available to customers seeking correction of the addresses or ZIP Codes on their mailing lists, or the sequencing of their address cards. The Postal Service uses a system to record “Start-the-Clock” and “Stop-the-Clock” times for these services. The “Start-the-Clock” event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The “Stop-the-Clock” event is the transmission of the corrected address information from the delivery unit or district AMS office to the requestor.

9.8 Stamp Fulfillment Services

Stamp Fulfillment Services (SFS) involve the fulfillment of orders for various stamp products. The services are measured internally. “Start-the-Clock” occurs when an order is entered into the National Customer Management System (NCMS). “Stop-the-Clock” is based on the date when an order is closed in the SFS Automated Fulfillment Equipment System (when the order is placed into a manifest for placement into the mailstream). Products have differing service standards:

- Non-Philatelic/Non-Custom Internet Orders with Two-Day service standard.
- Business Level Orders with Five-Day service standard.
- Philatelic/Custom and all other Orders with Ten-Day service standard.

Business days are defined as non-holiday working days, Monday through Friday. The following items are excluded from measurement: pre-orders and backorders, planned system downtime with customer notification, system failures (unplanned downtime).

9.9 Green Card Return Receipt

Green Card Return Receipt service provides a signed form (a green postcard) showing that a piece of qualifying mail has been delivered to the intended recipient. Service performance of this special service is measured with an external system similar to the External First-Class Measurement System. Test pieces with green cards are sent to reporters for signature and green cards are affixed with another reporter’s address to act as the sender. 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 independent third party collects the information, performs investigations to validate failures, and reports service performance each quarter.

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[27] “Address Management Services” is a group of five services that ensures that address elements and address lists are correct and up to date. “Address List Services” measures the “time in days from the date when customers request an address list service to the transmission of the corrected address information to the customer is compared against the service standard.”

9.10 Reporting for Special Services

9.10.1 Quarterly Reporting

The following Special Services are reported quarterly at the national level:

- Certified Mail
- Return Receipt (Electronic)
- Return Receipt (Green Card)
- USPS Tracking
- Insurance
- All Other Domestic Ancillary Services
- International Ancillary Services
- Address List Services
- Money Orders
- Stamp Fulfillment Services

Post Office Box service performance is reported at the district, area, and national levels each quarter.

In addition to the quarterly service scores, the reports also include the following information:

- A narrative describing the measurement approach, limitations and measurement exceptions.
- Year-to-Date scores in the same format as quarterly scores.
- Special Services quarterly and year to date aggregations reports showing the formulae used for calculating the Overall Ancillary Services scores. Aggregation uses revenue proportions as weights for the quarterly scores.
- Post Office Box quarterly and year-to-date aggregation reports showing the formulae for aggregating district scores to area and national level, using the measured volumes as the weights for scores.
- Stamp Fulfillment Services quarterly and year-to-date aggregation reports for service variance showing how the overall scores are calculated from the individual product service variance scores.

Examples of the reports provided to Commission are provided in Section 10.7.

9.10.2 Annual Reporting

The Postal Service reports national level Special Services performance in the Annual Compliance Report for the following products:

- Ancillary Services
- International Ancillary Services
- Address List Services
- Money Orders
- Post Office Box Service
- Stamp Fulfillment Services

In addition to the service performance scores for these products, the report also contains a detailed aggregation report showing the formulae used to calculate the annual scores. Reports include the on time volumes and total volumes, as well as revenue portions for Ancillary Services used for weights to calculate Overall Ancillary Services scores.

9.10.3 Public Reports

The Postal Service also provides a quarterly report of Special Services performance which can be found at http://about.usps.com/what-we-are-doing/service-performance/welcome.htm. The reports, available in both PDF and HTML formats, show separate service performance scores for some Special Services. Included in the reports are the following items:

- A description of the measurement approach, limitations in measurement, and highlights from the quarter.
- Scores at the national level for Address Correction, Insurance Claims Processing, Address List Services, Money Order Inquiry Processing. Scores at the district, area, and national levels for Post Office Box service and Combined Delivery Information Special Services. The Delivery Information Special Services include USPS Tracking, Signature Confirmation, Certified Mail, Electronic Return Receipt, Registered Mail, and Collect on Delivery.
- National scores for the same quarter of the prior year (SPLY), prior annual scores, and prior quarters in the same fiscal year to enable comparisons.
- Annual performance targets.

10. Appendix

10.1 Service Measurement Business Rules

The business rules for service performance measurement for First-Class Mail, Standard Mail, and Periodicals letters, cards and flats are intended to maintain a clearly defined structure for, and ensure the reliability of, the measurement system. The business rules are grouped into the four subject areas below: “Start-the-Clock”, “Stop-the-Clock”, Exclusions, and Special Services.

10.1.1 “Start-the-Clock”

Generally,[28] if the mail arrival time is before the CET, the “Start-the-Clock” Day-0 will be the day of entry. If the day of entry is a holiday, the “Start-the-Clock” Day-0 will be the next processing day. If the day of entry is a Sunday and the mail arrival time was not recorded, the “Start-the-Clock” Day-0 will be the next business day. Origin entered mail cannot have a “Start-the-Clock” Day-0 on a Sunday. If the mail arrival time is after the CET, then the mail will have a “Start-the-Clock” Day-0 of the next acceptance day for that facility.

As mail entry processes and systems change over time, so too will the methods by which the Postal Service will gather “Start-the-Clock” and “Stop-the-Clock” information. The following rules apply to

[28] Inbound international mail has a different start-the-clock measurement process.

current entry scenarios.

1. *Single-Piece Mail Entered at Collection Box or Wall Chute*

   1.1 Critical Entry Time. For single-piece mail measured, the CET is the last pickup time of the collection box or wall chute where the mail is deposited.

   1.2 "Start-the-Clock." The "start-the-clock" event is the date and time of induction of test pieces into a collection box or wall chute, as reported to the independent third party by the dropper carrying out the induction. For future state, the First Mile Impact is a composite measurement based on the collection point volumes and the delta between the CPMS scan date/time and the last scheduled pickup date/time as well as the delta between the collection date/time and the first processing operation date/time of randomly sampled mailpieces. The "start-the-clock" event is the collection date and time of a sample mailpiece from a collection box or wall chute.

A decision tree illustrating the Current State "start-the-clock" Day-0 for mail deposited in a collection box or wall chute is depicted below.

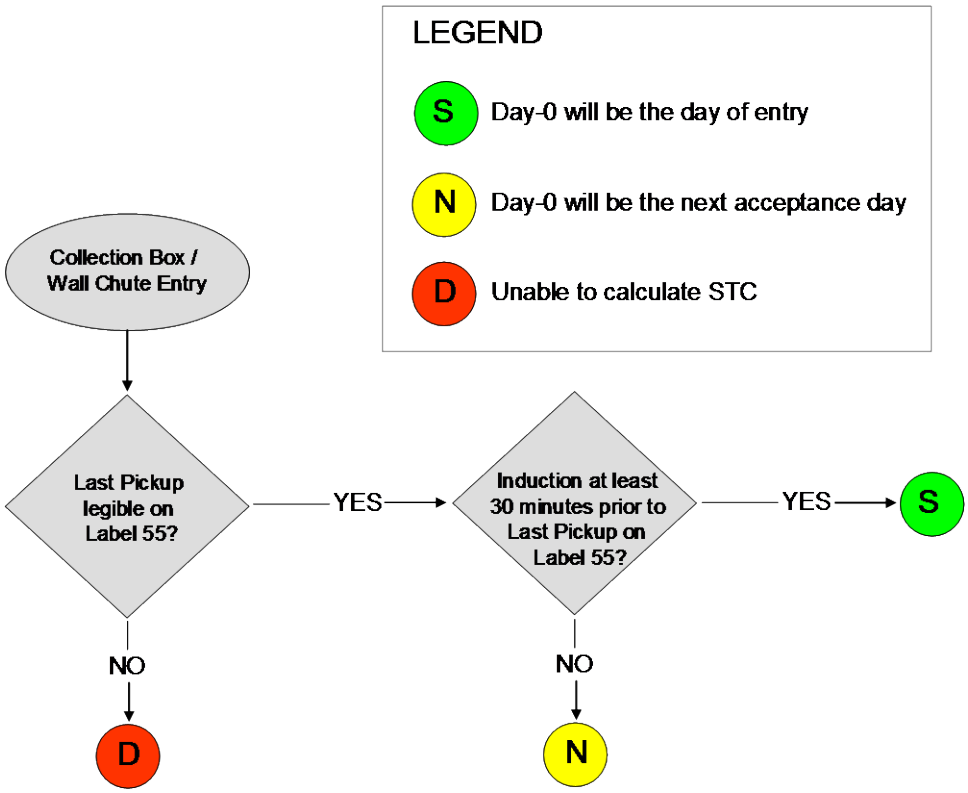
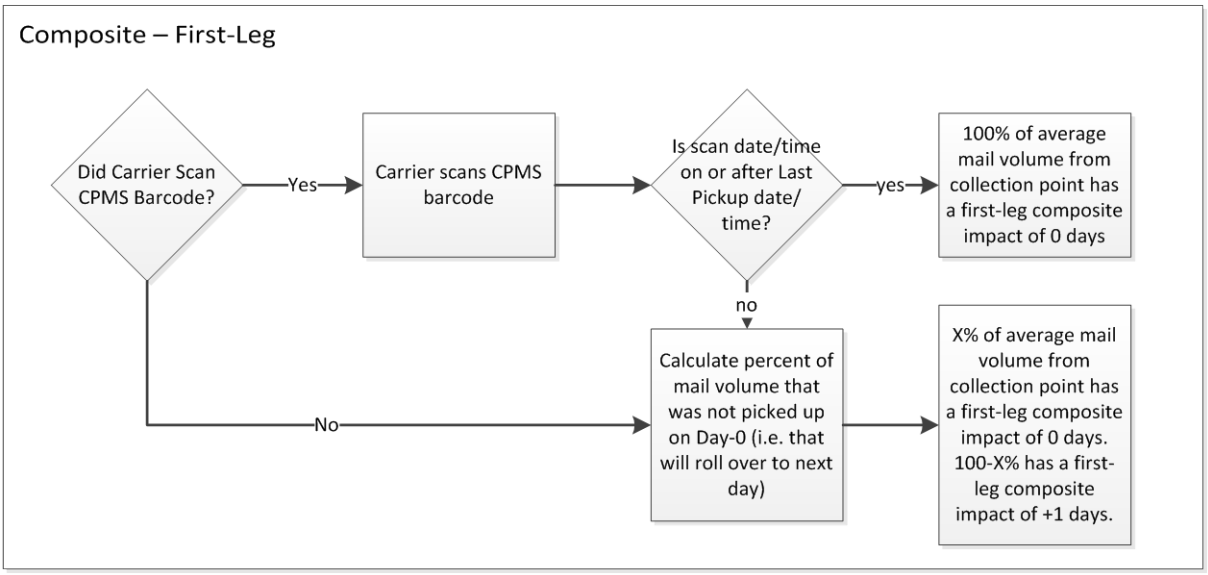
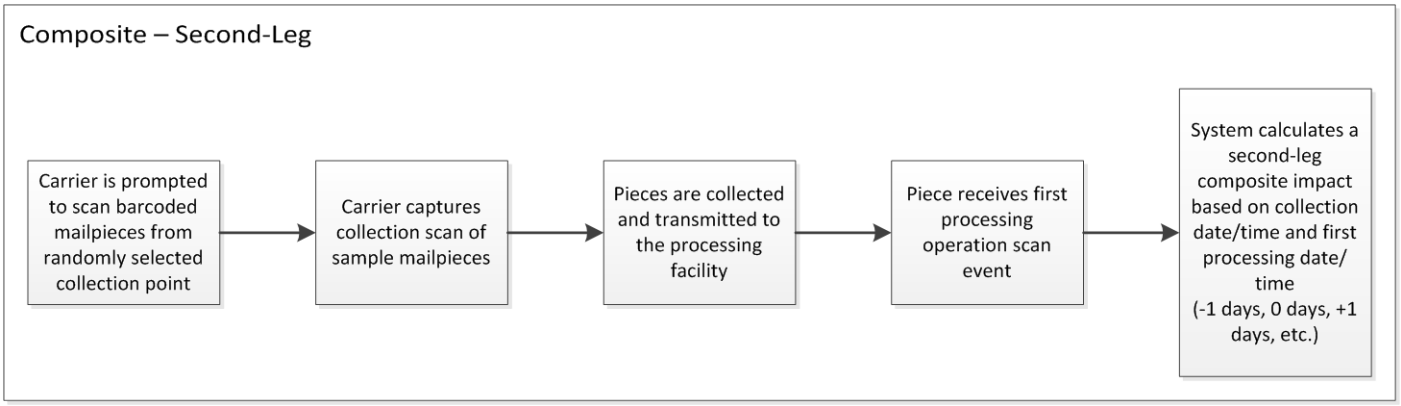


Figure 10-1: Current State "Start-the-Clock" Decision Tree for mail entered at a collection box

The Future State decision process for calculating First Mile Impact is depicted below.





2. Mail Entered at the Business Mail Entry Unit (BMEU)

2.1. *Critical Entry Time.* For mailers who deposit mail at a BMEU, the CET is the nationally standardized CET for the specific mail class and is based on whether the BMEU is collocated with a mail processing facility.

Reference Section 10.3 for more information on Critical Entry Times.

2.2 *"Start-the-Clock."* The "Start-the-Clock" event for mail deposited at a BMEU is the time of mail arrival, as documented in *PostalOne!*®. Mail arrival time is recorded by postal personnel in *PostalOne!* upon mail arrival at the BMEU and then compared against the national CET. Customer/Supplier Agreements are no longer used to drive Start-the-Clock for BMEU entered mail.

For mailings that have been auto-finalized, the earlier of the Container Release Scan or the Container Sampling Scan is used as the "Start-the-Clock" event. If the mailing fails acceptance verification, the mailer will be notified and presented with the option of fixing the mailing so that it conforms to the preparation requirements associated with acceptance at the requested price categories or paying additional postage based upon the degree of preparation associated with the mail as presented. A new "Start-the-Clock" event will occur when mail that initially fails verification is finally released for processing.

A decision tree illustrating the “Start-the-Clock” Day-0 for mail deposited at a BMEU is depicted below.

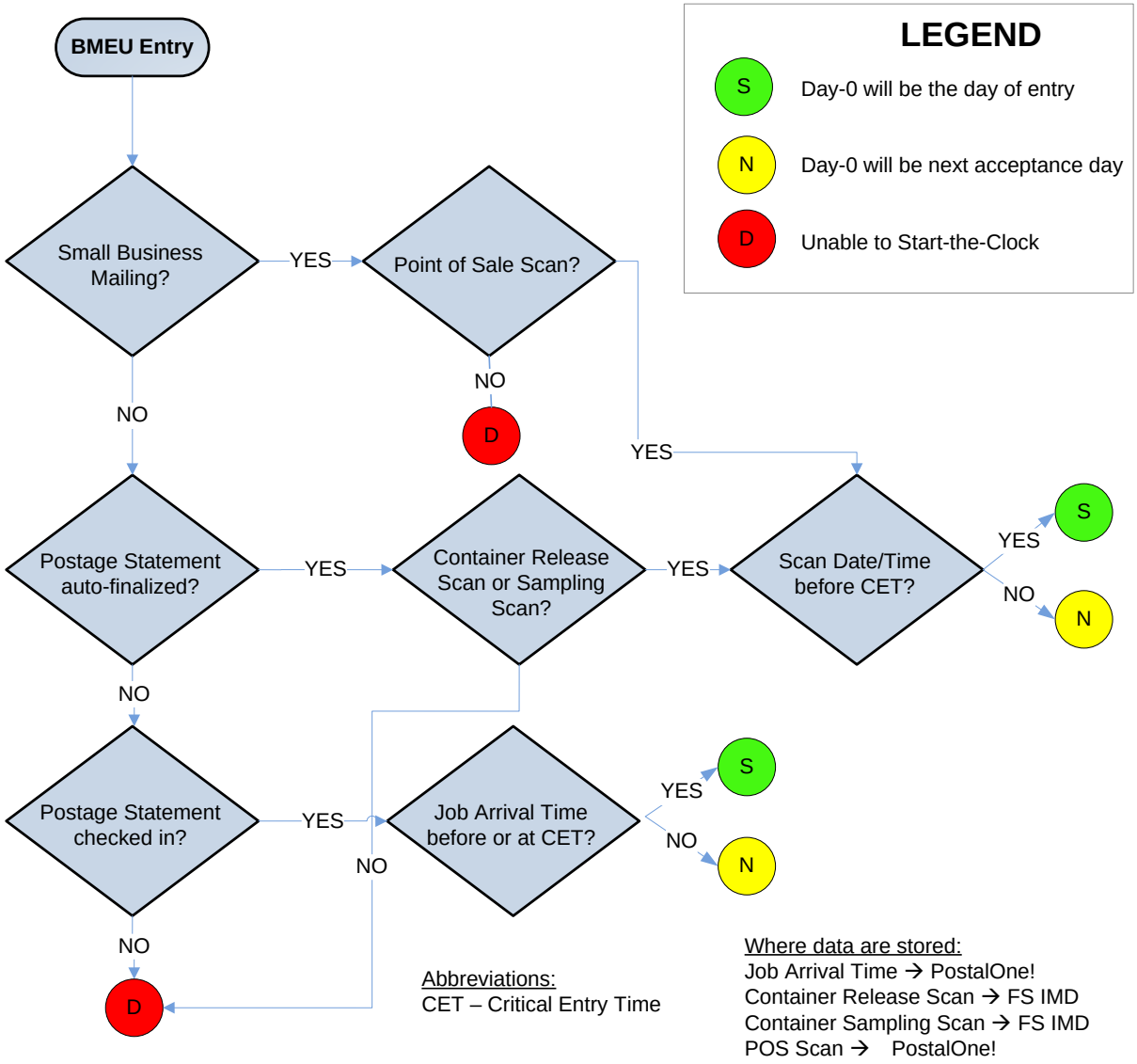


Figure 10-2: “Start-the-Clock” Decision Tree for mail deposited at the BMEU

3. “Start-the-Clock" Example: Mail Entered at a BMEU

- First-Class Mail entered at a BMEU not collocated with a mail processing facility and checked in by a clerk.
- CET is 3:00 p.m.
- Job Arrival Time is 4:30 p.m.
- **“Start-the-Clock” Day-0 is the next processing day after acceptance**

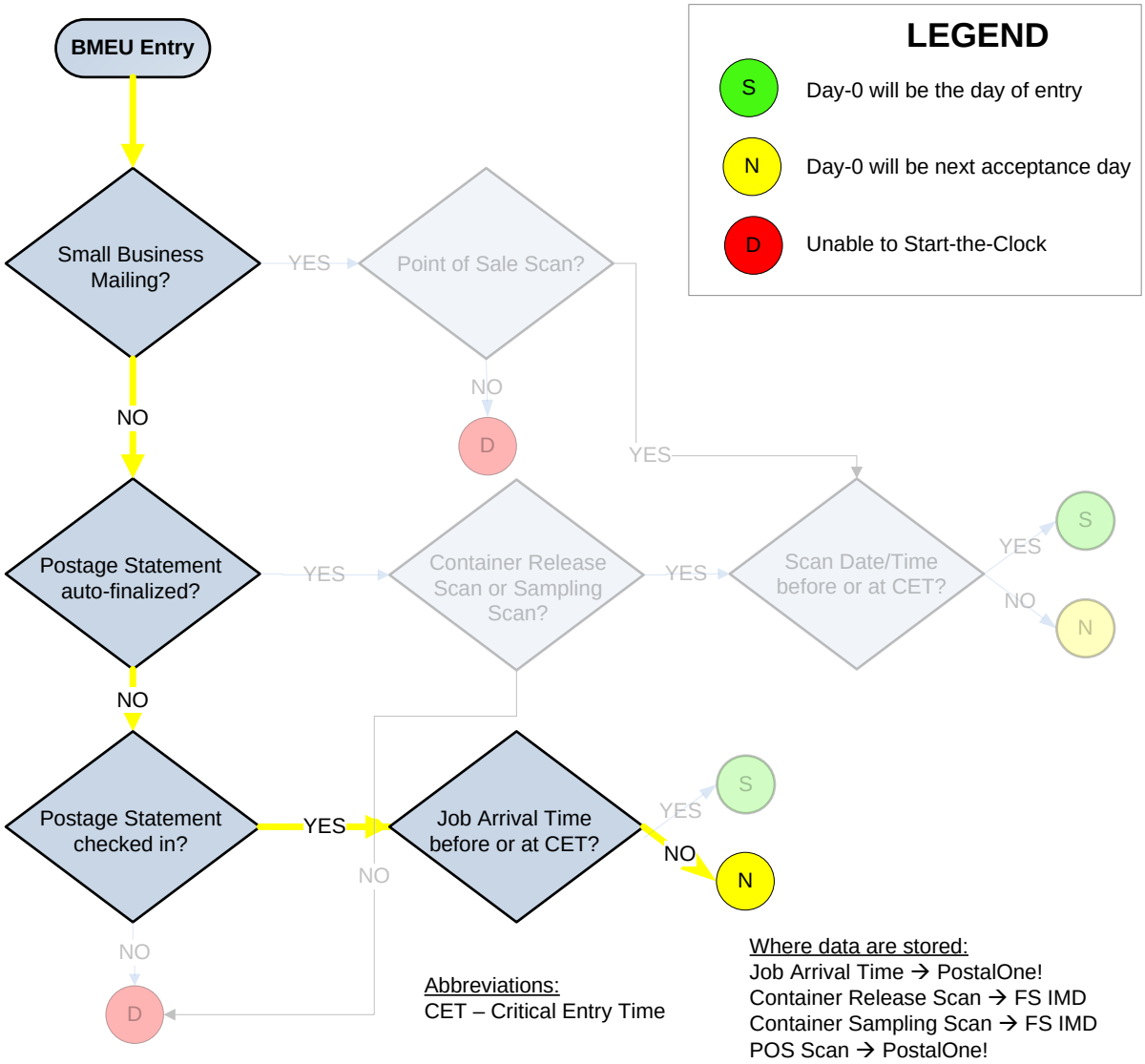


Figure 10-3: Example of "Start-the-Clock" Decision Tree for mail deposited at the BMEU

4. *Plant Load Using (Detached Mail Unit) Postal Transportation*

4.1. *Critical Entry Time.* The CET is determined by mail class. For First-Class Mail, CET varies based on the container preparation, induction method, entry location type and Customer/Supplier Agreement. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

4.2. *"Start-the-Clock".* The "Start-the-Clock" event for a plant load mailing using postal transportation is based on the earliest Surface Visibility (SV) Container Unload scan or Intelligent Mail Data Acquisition System (IMDAS) Container Unload Scan at the entry facility compared to the appropriate national CET. The SV Container Unload Scan or IMDAS Container Unload Scan will only be used if the facility of the SV Container Unload Scan is in the same district as the facility provided by the mailer through electronic documentation. If the Container Unload Scan occurs before the CET, the "Start-the-Clock" Day-0 is set to the day of the scan. If the Container Unload Scan Time

occurs after the CET, the “Start-the-Clock” Day-0 will be the following processing day. If no SV Container Unload Scan or IMDAS Container Unload Scan occurs, the Scheduled Ship Date/Time will be compared to the appropriate national CET.

If a mailer cannot identify what is physically in each container or tray, the “Start-the-Clock” Day-0 for all mail entered within the mailing period defined in the mailer’s electronic documentation will be based on the latest “Start-the-Clock” event across all physical containers.

A decision tree illustrating the “Start-the-Clock” Day-0 for Postal Service transported mail is depicted below.

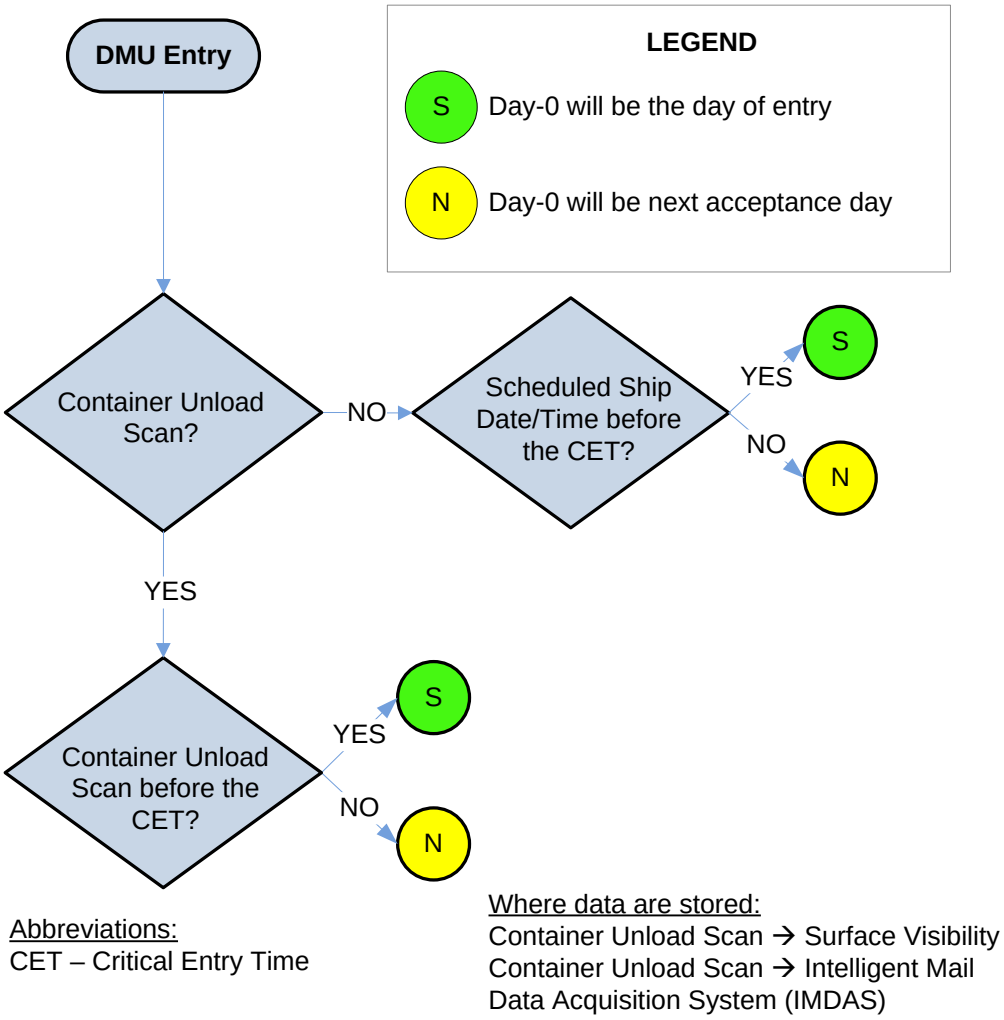


Figure 10-4:“Start-the-Clock” Decision Tree for mail deposited at the DMU

5. “Start-the-Clock" Example: Mail Plant Load Using USPS Transportation

- Working First-Class Mail picked up at a DMU by USPS Transportation
- CET is 8:00 p.m.

- SV Container Unload Scan occurs at the USPS plant at 7:00p.m.
- **"Start-the-Clock" Day-0 is the day of acceptance**

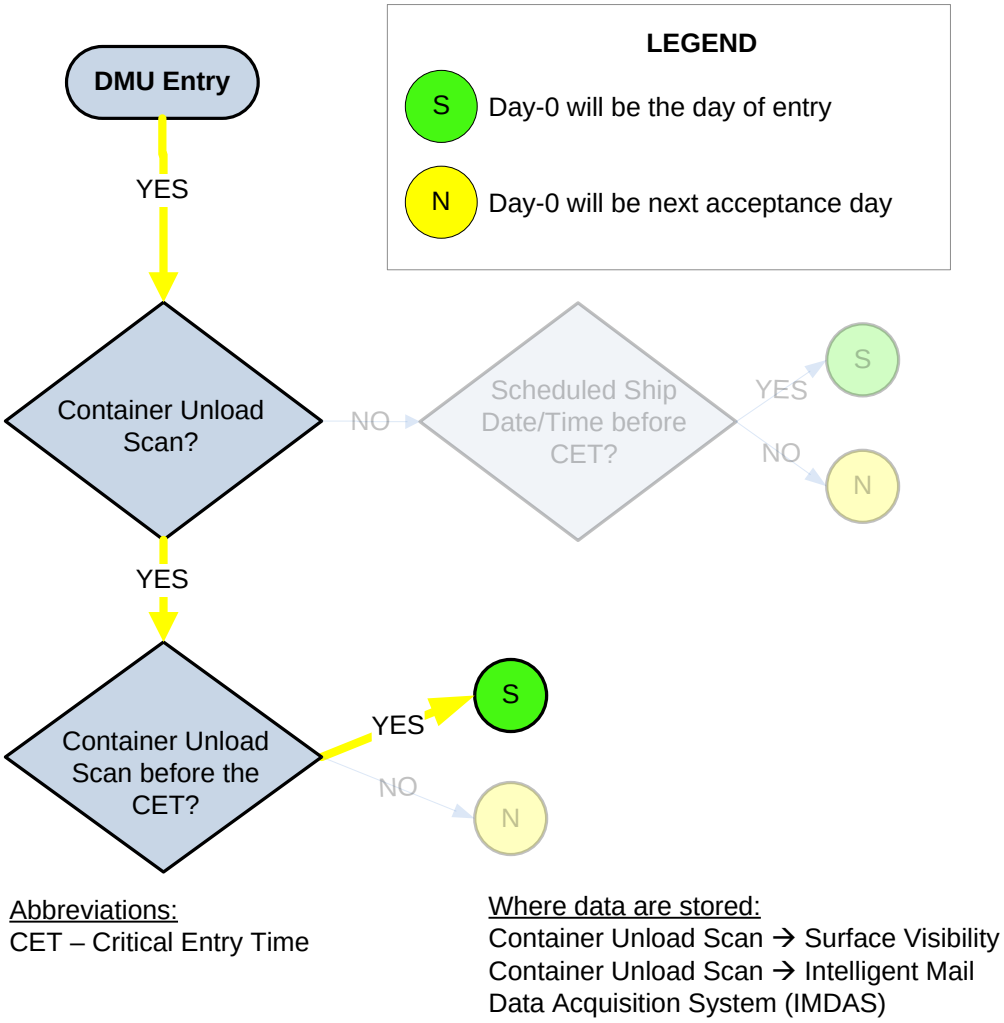


Figure 10-5: Example of "Start-the-Clock" Decision Tree for mail USPS transported

6. *Plant Load (Detached Mail Unit) Using Mailer Transportation*

6.1. *Critical Entry Time.* The CET is determined by mail class. For First-Class Mail, CET varies based on the container preparation, induction method, entry location type and Customer/Supplier Agreement. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

6.2. *"Start-the-Clock".* For plant load using mailer transportation, the "Start-the-Clock" event will be calculated using the FAST Appointment, an SV Container Unload Scan, or an IMDAS Unload Scan compared with the CET. If the FAST Appointment is Early (appointment arrival is earlier than the appointment scheduled date-time), Start-the-Clock is established by the earlier of the scheduled appointment time or the unload time, which can be a SV scan, IMDAS scan or FAST Appointment Unload Start.

If the FAST Appointment is On-Time (appointment arrives within 30 minutes after the scheduled appointment date-time), Start-the-Clock is established by FAST appointment arrival time. For Non-SV sites, the IMDAS unload scan will be used if it is observed 24hrs or more after the appointment arrival.

If the FAST Appointment is Late (appointment arrives 30 or more minutes after the scheduled appointment date-time), Start-the-Clock is established by the unload time, which can be a SV scan, IMDAS scan or FAST Appointment Unload Start.

A decision tree illustrating the “Start-the-Clock” Day-0 for mail Plant Load Mailer Transported is depicted below.

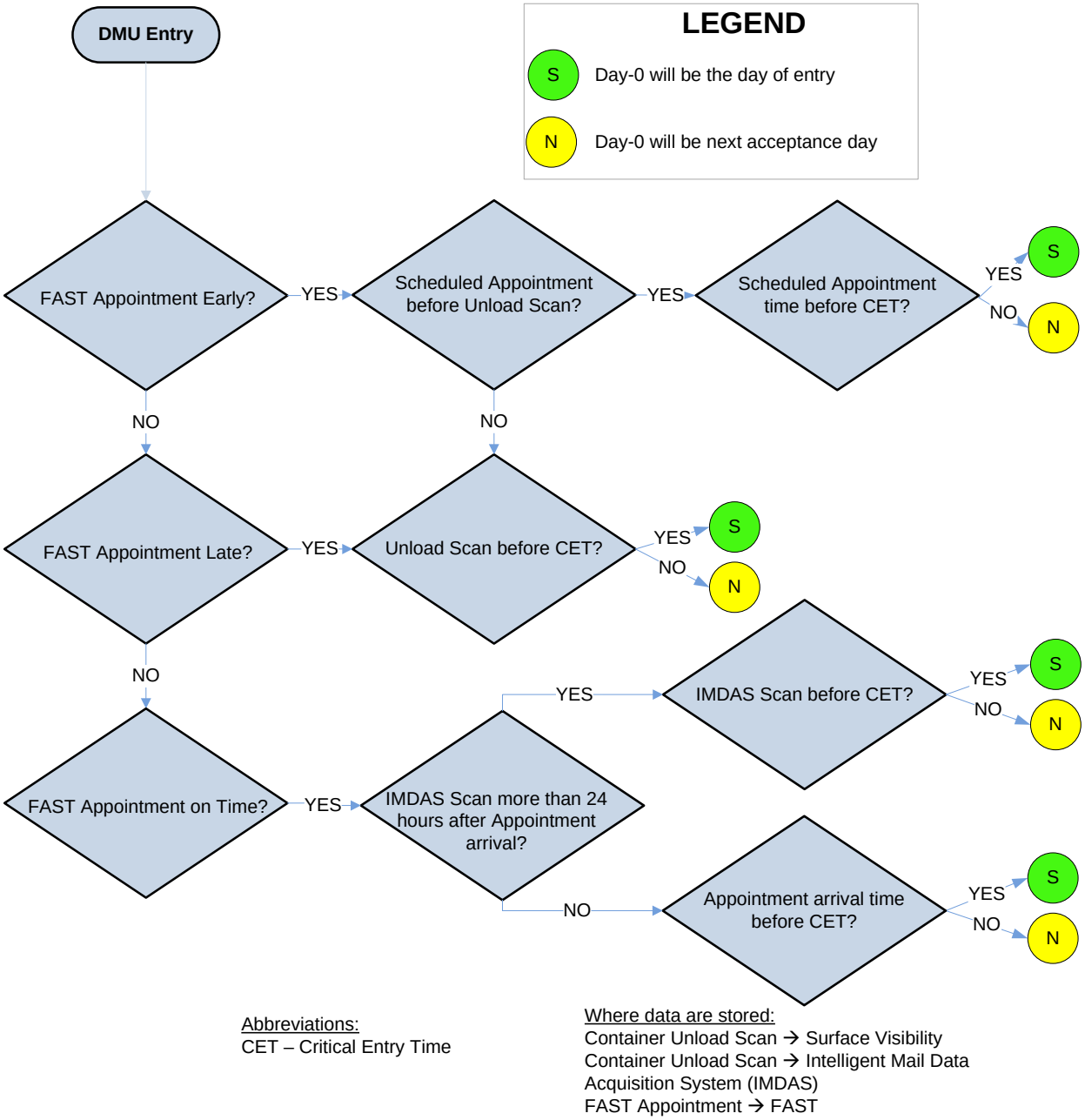


Figure 10-6:"Start-the-Clock" Decision Tree for mailer transported mail

7. *"Start-the-Clock" Example: Origin Mail dropped at a BMEU or DMU; mail received after appointment time.*

- FAST Appointment scheduled for 12:00 p.m.
- FAST Appointment arrived at 1:00 p.m.
- SV Container Unload scan at 1:30 p.m.
- CET is 3:00 p.m.
- **"Start-the-Clock" Day-0 is the day of entry**

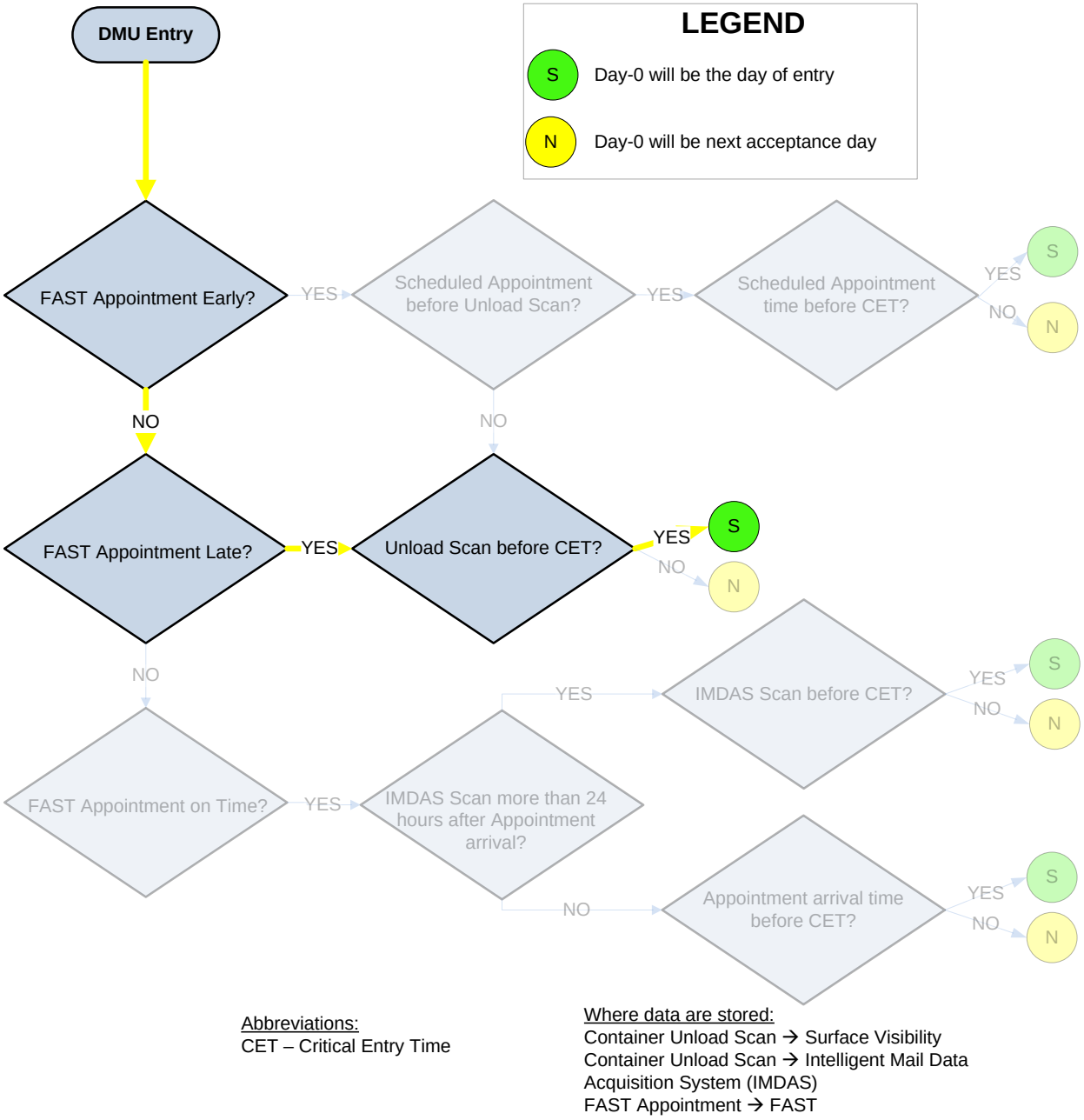


Figure 10-7: Example of "Start-the-Clock" Decision Tree for mail received after appointment time

8. *Destination-entered Drop Shipment at Plants –*

8.1. *Critical Entry Time.* The CET is determined by mail class. For Periodicals Mail, the CET varies based on the container preparation and the destination ZIP Code (FSS vs. Non-FSS). Reference Section 10.3 for more information on Critical Entry Times.

8.2. *"Start-the-Clock".* When a mailer drops mail at a destination NDC, SCF, or ADC, the "Start-the-Clock" event will be calculated using FAST appointment information and the national CET. If the FAST Appointment is Early (earlier than the appointment scheduled date-time), Start-the-Clock is established by the earlier of the scheduled

appointment time or the unload time, which can be a SV scan, IMDAS scan or FAST Appointment Unload Start.

If the FAST Appointment is On-Time (appointment arrives within 30 minutes after the scheduled appointment date-time), Start-the-Clock is established by FAST appointment arrival time. For Non-SV sites, the IMDAS unload scan will be used if it is observed 24hrs or more after the appointment arrival.

If the FAST Appointment is Late (appointment arrives 30 or more minutes after the scheduled appointment date-time), Start-the-Clock is established by the unload time, which can be a SV scan, IMDAS scan or FAST Appointment Unload Start.

If an SV Container Reload Scan was performed at the same facility as the SV Container Unload Scan with an associated FAST appointment and the Reload scan time occurred after the SV Container Unload Scan, the SV Container Unload Scan and its associated FAST appointment will not be used to determine the “Start-the-Clock” Day-0.

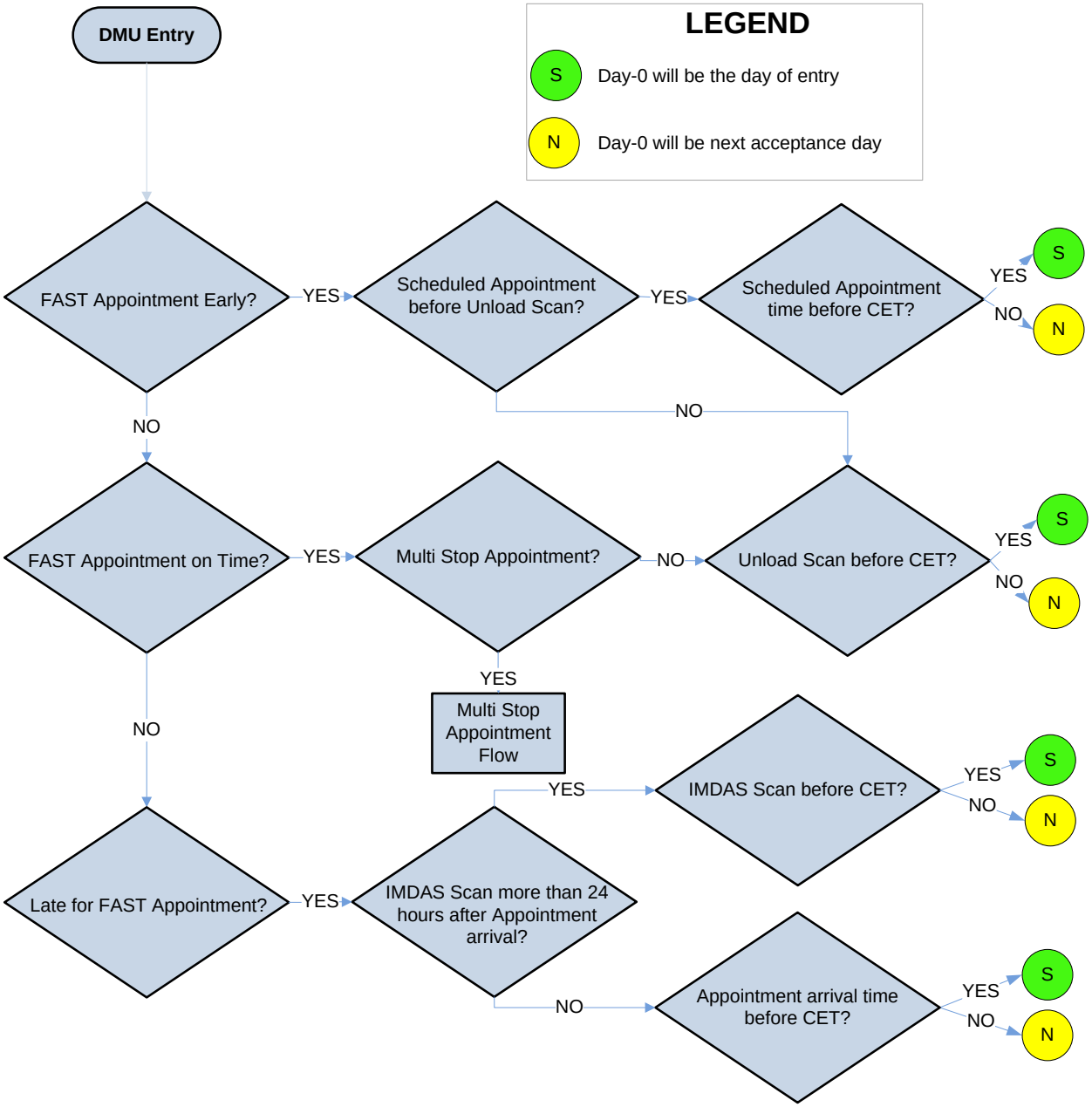
Mailings will be subject to the national CET. For mailings that have a "Start-the-Clock" event prior to the CET, then Day-0 is the day of entry. For mailings that have a "Start-the-Clock" event after the CET, then Day-0 is the next applicable processing day.

When a mailer schedules multi-stop appointments to drop mail at two or more facilities using the same surface transportation vehicle and mail arrives late at a downstream facility because of a delay caused solely by the Postal Service, the following litmus test will be used to determine “Start-the-Clock” Day-0. If the multi-stop appointment schedule reflects consideration of inter-facility drive-times and designated unload times for the category of mail and is on time at the first appointment, the mailer will receive credit for on-time arrival at downstream facilities and the “Start-the-Clock” Day-0 will be the day of entry. If the mailer fails to adhere to these considerations in making multi-stop appointments, the “Start-the-Clock” Day-0 will be the next processing day. Multi-stop appointments must be closed in FAST.

The Postal Service encourages mailers to account for foreseeable traffic and construction delays in scheduling all drop ship appointments. Mailers who schedule the minimum time for transportation and designated unload times run a higher risk of missing appointments versus mailers who allow for traffic and construction delays.

Where available, a postal acceptance facility will use handheld scanning devices or computer terminals located on the dock to record the mailing’s driver-reported arrival time. The FAST system uses these arrival times. Otherwise, manual-entered appointment data through FAST will be used to document the mailing’s arrival time.

A decision tree illustrating the “Start-the-Clock” Day-0 for destinating drop shipment at plants is depicted below.



Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Unload Scan → Surface Visibility
Container Unload Scan → Intelligent Mail Data Acquisition System (IMDAS)
FAST Appointment → FAST

Figure 10-8:"Start-the-Clock" Decision Tree for Destinating Drop Shipment at Plants

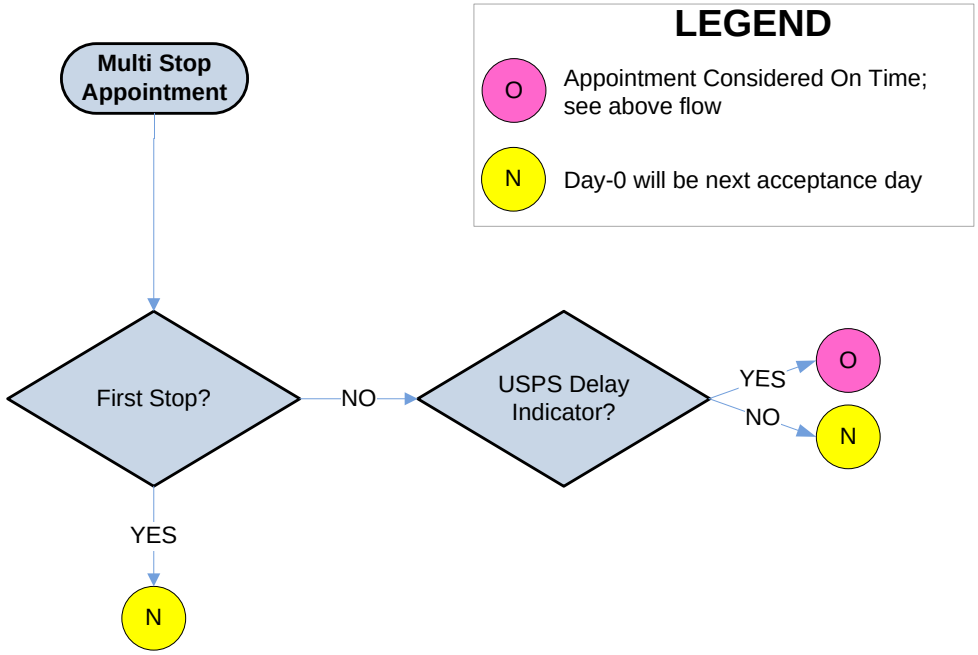
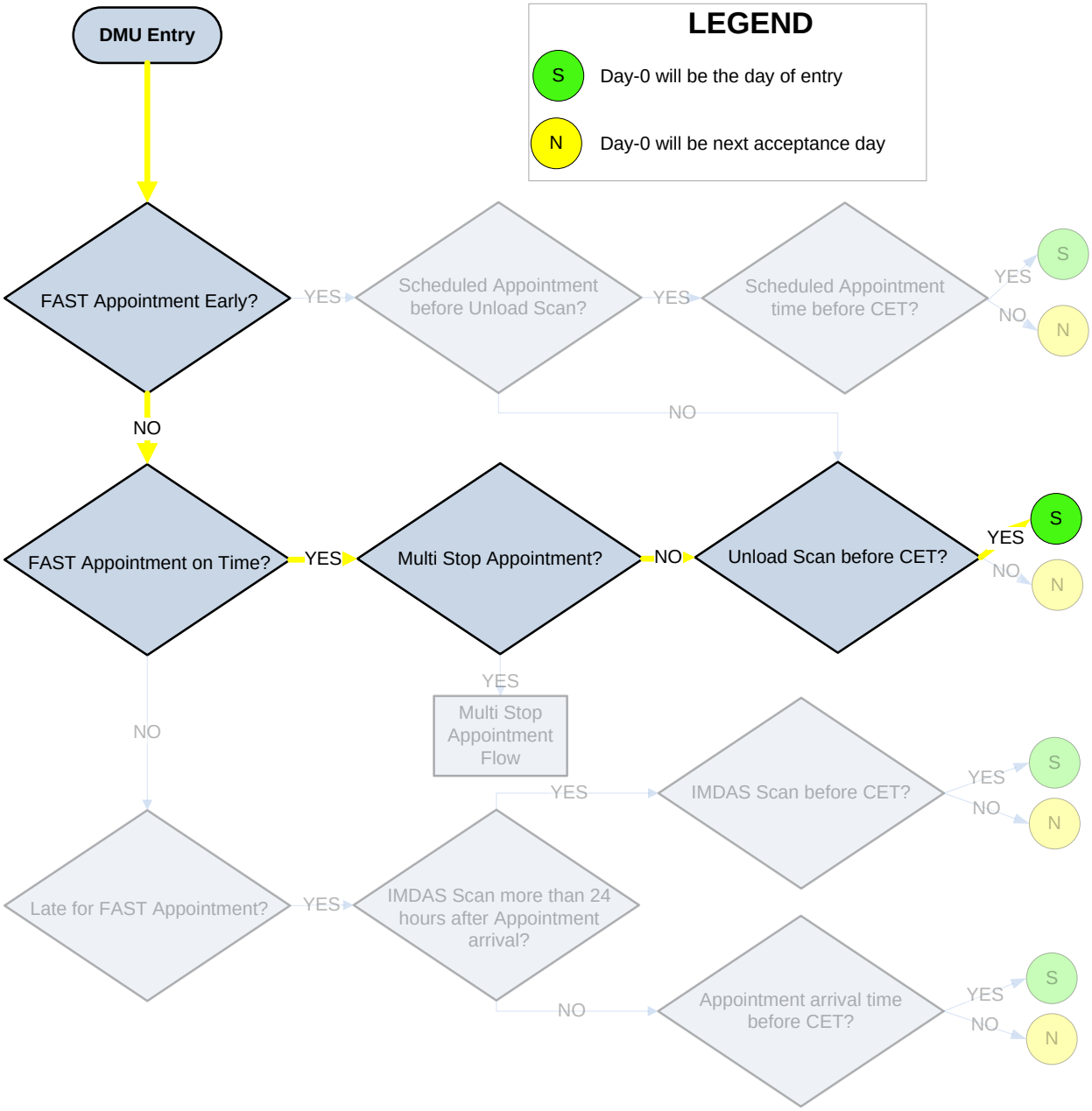


Figure 10-9: "Start-the-Clock" Decision Tree for Multi Stop Destinating Drop Shipment at Plants

9. *"Start-the-Clock" Example: Drop Shipment at an SCF; mail received after appointment time.*

- FAST Appointment at 12:00 p.m.
- Arrival 1:00 p.m.
- CET is 4:00 p.m.
- Unload start time is 1:30 p.m.
- **"Start-the-Clock" Day-0 is the day of entry**



Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Unload Scan → Surface Visibility
Container Unload Scan → Intelligent Mail Data Acquisition System (IMDAS)
FAST Appointment → FAST

Figure 10-10: Example of "Start-the-Clock" Decision Tree for Destinating Drop Shipment at Plants

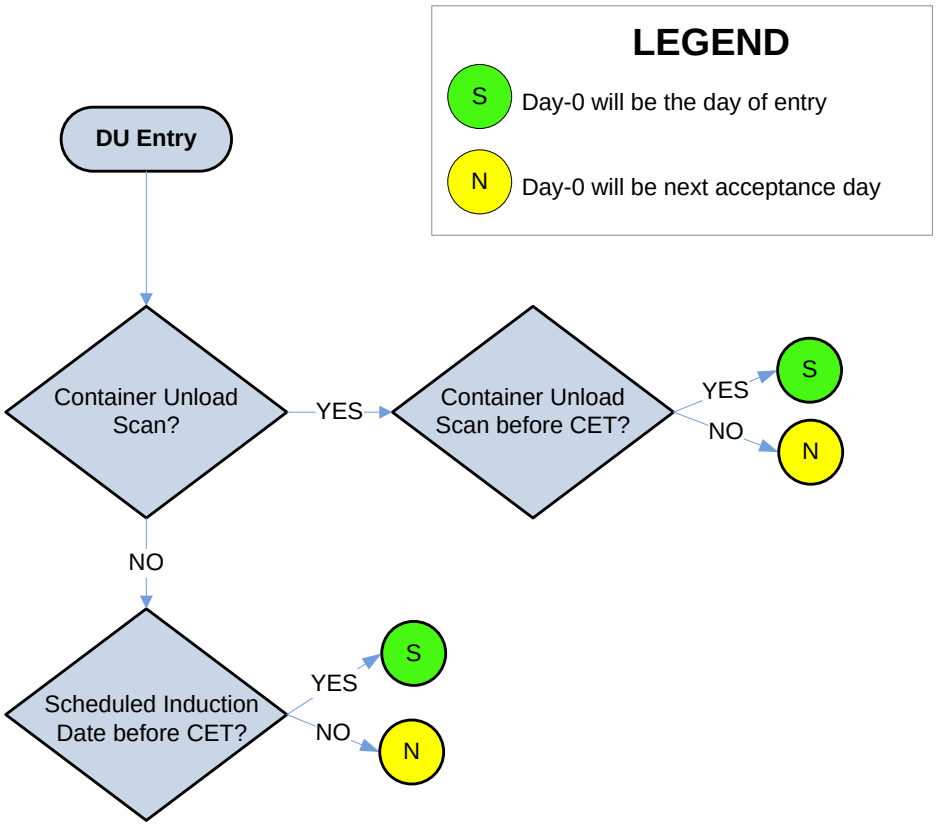
10. *Drop Shipment at the Delivery Unit*

10.1. *Critical Entry Time.* The CET for drop shipment at a Delivery Unit is the nationally standardized CET for that mail class.

10.2. *"Start-the-Clock".* The "Start-the-Clock" event at the delivery unit will be based on the container acceptance scans generated by postal personnel via the Intelligent Mail Data Acquisition System (IMDAS) scanner. If there is no IMDAS scan present, the

Scheduled Ship Date/Time will be used to determine the “Start-the-Clock” event. When the “Start-the-Clock” event occurs at or before the CET, the “Start-the-Clock” Day-0 will be the day of acceptance. If the “Start-the-Clock” event occurs after the CET, the “Start-the-Clock” Day-0 will be the next applicable acceptance day.

A decision tree illustrating the “Start-the-Clock” Day-0 for drop shipment at a Delivery Unit is depicted below.



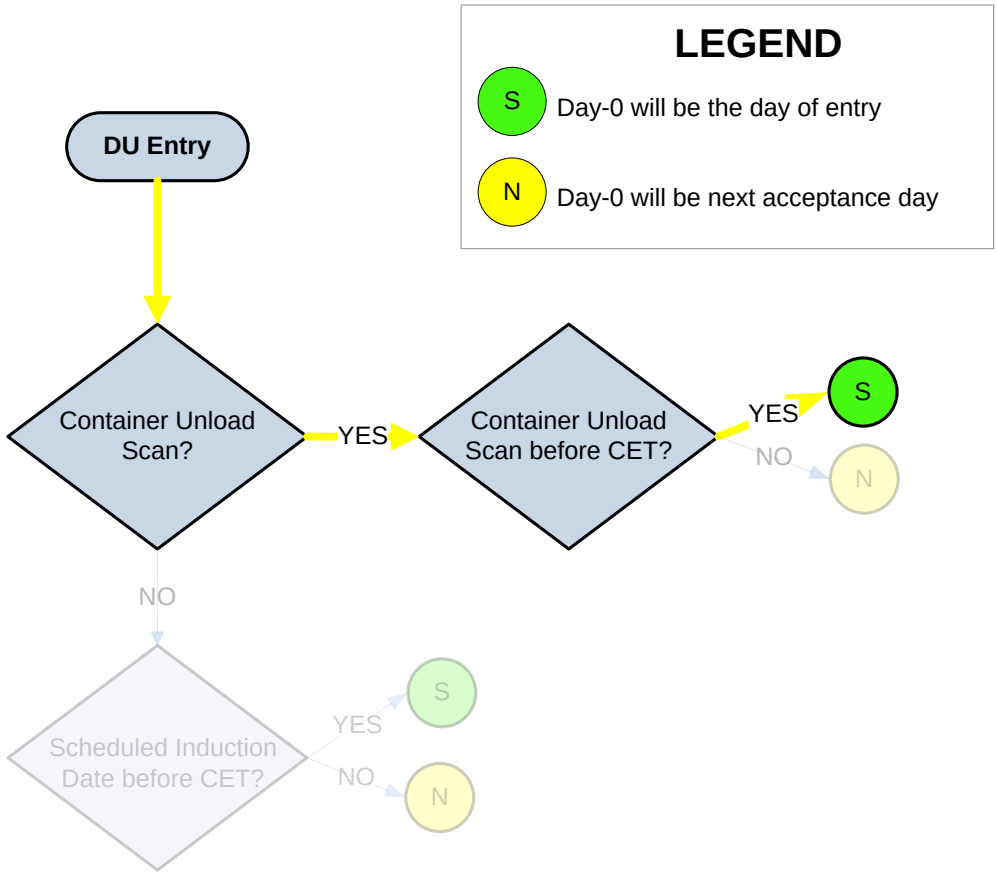
Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Acceptance Scan → Intelligent Mail Data Acquisition System (IMDAS)

Figure 10-11: “Start-the-Clock” Decision Tree for Drop Shipment at a Delivery Unit

11. *“Start-the-Clock” Example: Drop Shipment at a Delivery Unit; mail received after appointment time.*

- Latest time of national CET is 4:00 p.m.
- IMDAS Container Acceptance Scan is 3:30 p.m.
- **“Start-the-Clock” Day-0 is the day of entry**



Abbreviations:
CET – Critical Entry Time

Where data are stored:
Container Acceptance Scan → Intelligent Mail Data Acquisition System (IMDAS)

Figure 10-12: Example of "Start-the-Clock" Decision Tree for Drop Shipment at a Delivery Unit

10.1.2 "Stop-the-Clock"

The stop-the-clock event for service measurement of single-piece mail is established using the delivery scan event of randomly sampled mailpieces.

The "Stop-the-Clock" event for service measurement of commercial mail is established using the last processing scan (Stop Scan) from Mail Processing Equipment (MPE) for individual pieces or handheld scans for pieces within a bundle, and delivery event date captured by the carrier. The final processing scans from MPE are used to establish the Anticipated Delivery Date for mail with Full Service IMbs. If the Stop Scan time is earlier than or equal to the standard Clearance Time (CT) of the facility type and operation code type, the Anticipated Delivery Date is the Stop Scan Date. If the Stop Scan time is later than the standard Clearance Time for that facility type and operation code type, the Anticipated Delivery Date is the day after the Stop Scan date, excluding Sundays and holidays. Stop-the-Clock scans performed by Postal Service personnel are combined with scans collected by carriers to determine the transit-time from final processing to actual delivery, known as the last mile delivery factor.

1. *Carrier "Stop-the-Clock" Scan.* When a carrier captures the delivery event for a randomly

selected mailpiece, the date of the scan will be the “Stop-the-Clock”.

2. *Last Mile Delivery Factor.*

Current State: The external measurement contractor calculates delivery factors and applies those factors to calculate service measurement for categories of mail. The external measurement contractor determines the delivery factor for each district on a quarterly basis. Because the following mail segments are processed differently by postal operations, the delivery factor will be distinct for the following mail segments:

- Mail class
- Mail shape
- DPS secondary sort/FSS sort
- Non-DPS secondary sort/FSS sort
- Mail with final processing at the expected destination plant
- Mail with final processing not occurring at the expected destination plant

Future State: The proposed measurement system calculates delivery factors and applies those factors to calculate service measurement for categories of mail. The delivery factor is determined for each district on a quarterly basis. Because the following mail segments are processed differently by postal operations, the delivery factor will be distinct for the following mail segments:

- Mail class
- Mail shape
- DPS secondary sort/FSS sort
- Non-DPS secondary sort/FSS sort
- Mail with final processing at the expected destination plant
- Mail with final processing not occurring at the expected destination plant

10.1.3 Last Processing Operation Type

The processing and delivery performance profiles for commercial mail measured using Full Service IMbs are segmented into the following Last Processing Operation (LPO) categories:

- Mail sorted into Delivery Point Sequence (DPS) with the final scan occurring at the expected final processing plant is categorized as LPO Type 1.
- Mail not sorted into DPS but still receiving a final scan at the expected plant is categorized as LPO Type 2.
- Mail with a final processing scan occurring at a plant other than the expected final processing plant is categorized as LPO Type 3.

This segmentation helps account for the differences in transit-times that stem from how and where mail is sorted. For example, delivery performance is typically highest for LPO Type 1 mail because it has received the best processing at the correct facility, while LPO Type 3 delivery performance is typically the lowest because the final processing scan did not occur at the expected plant.

A decision tree for determining the LPO Type is depicted below:

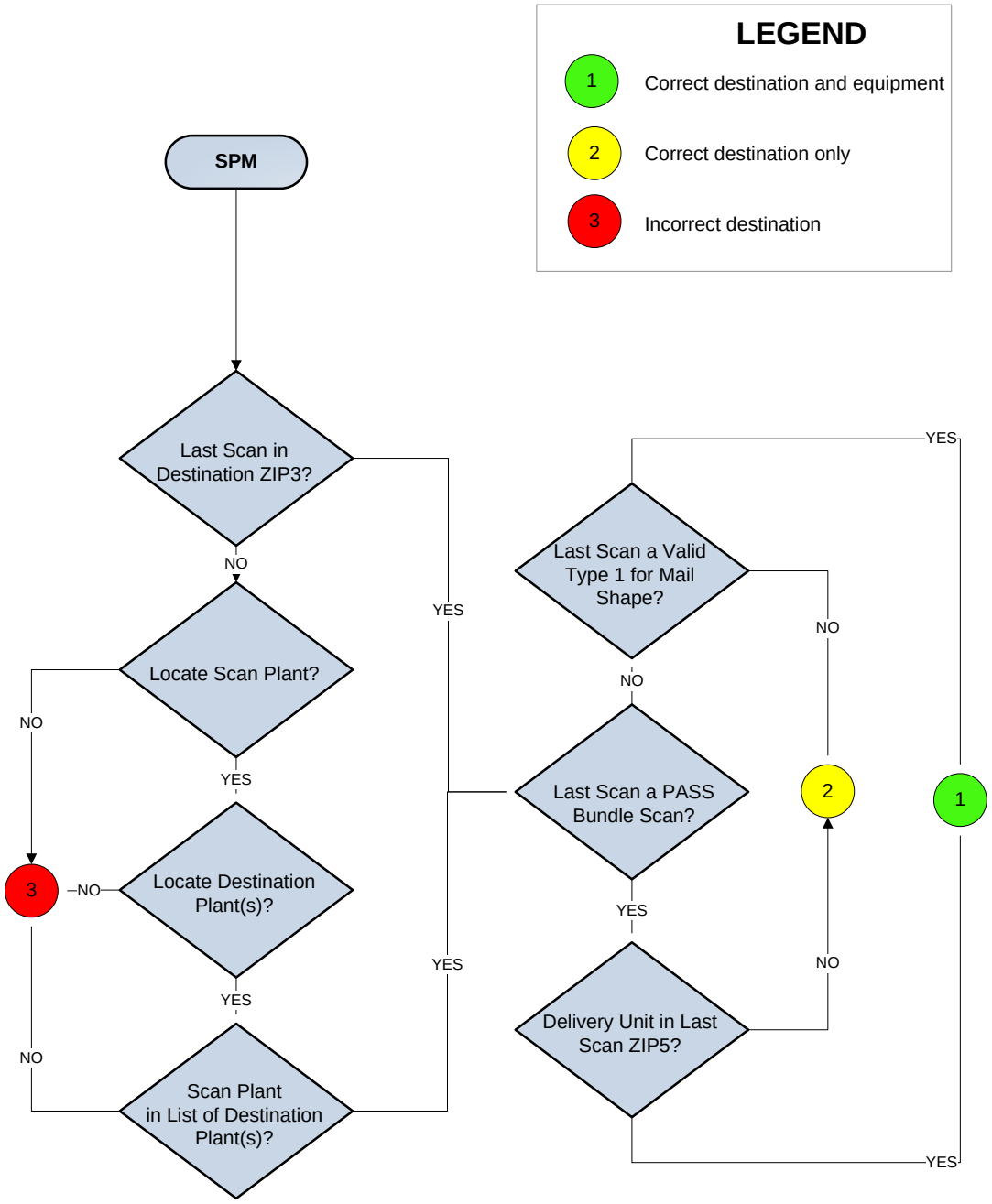


Figure 10-13: Last Processing Operation Type decision tree

For future state, the system will use delivery scan data from randomly selected delivery points to calculate Last Mile.

The last mile delivery factor is imputed using data from the postal district's area or from the nation, whenever the number of sampled mailpieces falls below the minimum threshold for a given mail class, shape, district, and LPO Type. The thresholds are

- LPO Type 1: 250 pieces
- LPO Type 2: 50 pieces
- LPO Type 3: 25 pieces

10.2 Exclusions

10.2.1 Current State Single-Piece External Measurement Exclusions

For single-piece products measured using external systems such as EXFC and IMMS, the independent third party is responsible for validating the accuracy and integrity of the data included in service performance measurement calculations. Quality is reviewed across the following areas on an ongoing basis.

- Address Quality
- Test Mail Fabrication
- Induction/Dropper Quality
- Receipt/Reporter Quality

10.2.1.1 Address Quality

Reporter address quality is verified by the independent third party on a weekly basis using Coding Accuracy Support System (CASS) certified address hygiene software. If addressing issues are identified, any test pieces created using those addresses are excluded from measurement. Addressing quality exclusion reasons include:

- *Reporter ZIP Code updated:* If the reporter ZIP Code is updated after test pieces have been created using the previous ZIP Code on file, those pieces will be excluded to avoid any potential processing delays.
- *Reporter street address updated, including urbanization for Puerto Rico addresses:* If any significant elements of the reporter address are updated, test pieces created using the previous address on file will be excluded.

10.2.1.2 Test Mail Fabrication

Mail fabrication issues are identified using quality checks during the fabrication, bundling, and pre-induction processes. Exclusions reasons caused by mail fabrication issues include:

- *Test piece damaged:* If a test piece is torn or damaged such that there is the potential to encounter issues in automated processing, the piece is excluded.
- *Address elements illegible, missing, or not in OCR read area:* If the address quality on the test piece is blurred or obstructed, missing, or falls outside of the OCR read area per the DMM, the piece is excluded.
- *Incorrect postage or meter applied:* If incorrect postage is applied to the test piece, it is excluded. If metered postage is applied to the test piece and the meter mark ZIP Code does not correspond to the return address ZIP Code, the piece is excluded. In addition, if the meter date does not correspond to the scheduled induction date for the test piece, the piece is removed.

- *Missing or additional test pieces:* if test pieces are identified as missing or extraneous as compared to the schedule of expected test pieces for a given fabrication cycle, they are excluded.

10.2.1.3 Induction/Dropper Quality

Compliance with induction requirements and induction data validity are verified using induction quality check processes during and following the deposit of bundles of test pieces into the mailstream. Exclusion reasons due to induction quality issues include:

- *Dropper failure to report start-the-clock data:* If a bundle of test pieces is inducted into the mailstream, but the dropper fails to report the induction information to the independent third party, the bundle is excluded.
- *No start-the-clock due to missing critical barcode read (inbound international test pieces only):* If an inbound international test piece does not receive an initial scan at an International Service Center (ISC) or associated plant, it is excluded.
- *Bundle inducted in an ineligible ZIP Code:* If a bundle of test pieces is inducted in a ZIP Code that is not included within the scope of the external measurement system, the bundle is excluded.
- *Bundle inducted in an ineligible collection box type:* Bundles may not be inducted in certain collection box or chute types, including Express Mail, local only, or any receptacle inside a post office. Bundles inducted in ineligible collection box types are excluded.
- *Multiple inductions in the same collection box or wall chute on same day:* If more than one bundle is inducted into the same mail receptacle on the same day, only one bundle may be kept to comply with sample design requirements. Additional bundles are removed.
- *Bundle induction data uncertain:* Bundle performance is reviewed on a daily basis to identify any anomalies, such as bundles where the test pieces show delivery that is predominantly earlier or later than expected. For bundles flagged as having suspicious performance, if the date, time or location of an induction is unable to be validated, the bundle is removed.
- *Metered bundle dropped on the wrong date or in the wrong ZIP Code:* If a bundle with metered indicia is inducted on a date other than what is indicated on the meter mark or in a ZIP Code that is not within 25 miles of the meter ZIP Code, the bundle is excluded.
- *Bundle inducted on a Sunday or holiday:* If a bundle is inducted on a Sunday, national holiday or local holiday in the induction ZIP Code, the bundle is removed.
- *Restrictions in drop area:* If a bundle is inducted during unanticipated restrictions in the drop area such as a mandatory evacuation or driving ban, the bundle is excluded.
- *Confidentiality breach:* If a bundle inducted into the mailstream is identified by the Postal Service prior to mail processing, the bundle must be removed to prevent potential bias in performance results. A breach of confidentiality may occur due to a dropper being observed or interrupted by a Postal Service employee making an induction, or due to the dropper inadvertently inducting study reference materials into the same receptacle as the bundle.

10.2.1.4 Receipt/Reporter Quality

“Stop-the-Clock” data quality is validated during receipt and reporter quality check processes. Exclusion reasons due to receipt data or report quality issues include:

- *Test piece destined to unavailable reporter:* Because test pieces must be fabricated in advance for shipment to droppers, assigned reporters may become unavailable due to

vacations/time away, or ending their participation. Test pieces assigned to unavailable reporters are excluded.

- *Reporter Non-response:* If a reporter fails to report stop-the-clock information for a test piece, the piece is excluded 35 days after its induction.
- *No critical barcode read (outbound international test pieces only):* If an outbound international test piece fails to receive a processing scan at an ISC, the piece is excluded.
- *Reporter relocation:* If a reporter relocates from their reporting address, any pieces reported as received by that reporter after their date of relocation are excluded. Barcoded test pieces receiving mail forwarding operations during processing where no relocation information is on file for the assigned reporter are investigated to determine whether the reporter has moved. If a reporter relocation is identified, the test piece is excluded.
- *Stop-the-clock date reported as "unknown":* If a reporter is uncertain of the date on which a test piece was delivered, they report the stop-the-clock as "date unknown" and the test piece is excluded.
- *Stop-the-clock date reported as a Sunday or holiday:* If a reporter erroneously reports the stop-the-clock date for a test piece as a Sunday, national holiday, or local holiday in their ZIP Code area, the piece is excluded. In rare instances where Sunday or holiday delivery is validated by quality check processes, the stop-the-clock date is moved to the next valid delivery date, as this does not affect service performance calculations.
- *Test piece reported with gap after receipt date:* If a test piece is reported as received four or more days in the past and the stop-the-clock date is unable to be validated by processing scan data, the piece is excluded.
- *Test piece reported as delivered in 30 or more delivery days:* If the stop-the-clock date reported for a test piece indicated service performance of 30 delivery days or greater, the test piece is removed as an outlier as this type of delayed performance is extremely rare and likely to be due to reporter error.
- *Stop-the-clock date uncertain:* Stop-the-clock data reported by reporters may be identified as suspicious due to pieces being delivered earlier or later than expected, having anomalous performance compared to the rest of the pieces of the same service standard in the bundle they were inducted with, or because the average performance of pieces reported by the reporter differs from the average performance of reporters in their 3-digit ZIP Code area or postal administrative district. Test pieces identified as having suspicious stop-the-clock date are investigated using performance, processing scan data and reporting pattern information. If the stop-the-clock date is unable to be validated, the test piece is excluded.
- *Confidentiality breach:* If a reporter is identified by the Postal Service as a participant in an external measurement study, test pieces destined to the reporter following their identification are excluded to prevent potential bias in delivery behavior and/or performance results. Reporters may be identified by Postal employees due to a damaged or unsealed test piece where the test mail insert is exposed, due to a bundle confidentiality breach where the reporter is in the local area of the breached induction location, due to Postal investigations into test mail performance in their area, or by disclosing their participation to a Postal employee.

10.2.2 Future State Single-Piece Measurement Exclusions

For single-piece products measured using the proposed measurement system, Postal Service will validate the accuracy and integrity of the data included in service performance measurement calculations. Quality is reviewed across the following areas on an ongoing basis.

- Address Quality

- Lack of Visibility Data

For single-piece products measured using external systems such as IMMS, the independent third party is responsible for validating the accuracy and integrity of the data included in service performance measurement calculations. See Section 10.2.1 for applicable exclusions for single-piece international mail.

10.2.2.1 Address Quality

Address quality is verified by the Postal Service, and if addressing issues are identified, mailpieces are excluded from measurement.

10.2.2.2 Lack of Visibility Data

Mailpieces can be excluded from service performance measurement due to lack of visibility data preventing accurate measurement.

- Piece-Level Exclusions
    - *Unable to Stop-the-Clock:* Lack of mailpiece automation scans.

10.2.3 Presort Mail Measurement Exclusions

For measurement systems using data collected by the Postal Service, business rules are used to identify and exclude incorrect or suspicious data.

10.2.3.1 eDoc Preparation Exclusions

Electronic documentation (eDoc) preparation issues are identified by evaluating eDoc against USPS operational data and Full Service business rules. Below is a list of exclusions reasons caused by eDoc preparation issues:

- *Inaccurate Scheduled Ship Date:* All mailpieces associated with a Scheduled Ship Date two or more days prior to Postage Statement Finalization Date provided from PostalOne! for DMU verified USPS transported induction method will be excluded.
- *Invalid Entry Facility:* The mailer provides an entry facility that cannot be mapped to a valid USPS entry facility.
- *Invalid Entry Facility for Discount:* All mailpieces associated with a container inducted at an invalid entry facility for that discount type will be excluded based on the FAST Mail Direction File v2.
- *Orphan Handling Units:* All mailpieces associated with orphan handling units with induction methods other than BMEU entry will be excluded.
- *Non-Unique Container Barcode:* All mailpieces associated to a physical container will be excluded if the container does not have a unique IMcb.
- *Non-Unique Tray Barcode:* All mailpieces associated to a handling unit will be excluded if the tray does not have a unique IMtb.
- *Non-Unique Piece Barcode:* individual mailpieces will be excluded if they have duplicate IMb codes.

- *Handling Unit with Default Tray Barcode:* All mailpieces associated with a handling unit will be excluded if the handling unit has a default IMtb.

10.2.3.2 Mail Preparation Exclusions

Mail preparation issues are identified using operational data points collected during the mail acceptance, induction, or processing. Below is a list of exclusions reasons caused by mail preparation issues:

- *Mailing Level:* When a mailing does not pass a Manual or MERLIN based mail preparation check, all pieces from the mailing will be excluded from service measurement. Examples of Manual or MERLIN based checks include bundle preparation, IMb Quality, Mail Piece Count, Presort, Short Paid Postage, Tap Test, Weight, Digit String, and Postage Adjustment.
- *Container Level:* When a container does not pass verification, all mailpieces within the containers will be excluded from service measurement. Examples of verification checks include:
    - *Appointment Irregularity:* Mailing irregularities may be documented in the FAST Appointment system at the point of mail induction. Irregularities include mailing contents being different than that indicated on the 8125 form and mail being damaged.
    - *Container Irregularity:* Mailing irregularities such as broken pallet may also be captured by the Surface Visibility (SV) at the point of mail induction.
- *Piece Level.* Individual mailpieces may be excluded from service measurement due to the following reasons:
    - *Address Change:* Mail piece redirected due to Change of Address (COA) or Undeliverable as Addressed (UAA) as indicated by ACS and/or PARS operation when mailpiece is processed
    - *Invalid Delivery Point:* Delivery point indicated on the mailpiece IMb is invalid.
    - Invalid Nesting: Nesting discrepancies identified between the mailpiece and the container through the FS-IMD sampling scan and mailer provided nesting in eDoc.

10.2.3.3 Lack of Visibility Data

Mail containers or pieces can be excluded from service performance measurement due to lack of or inconsistent visibility data preventing accurate measurement.

- Container-Level Exclusions
    - *Unable to Start-the-Clock:* Reasons include a lack of container scan or valid FAST appointment.
    - *Inconsistent Appointment Information:* FAST Appointment Unload Start Date/Time is before the Appointment Arrival Date/Time.
- Piece-Level Exclusions
    - *Unable to Stop-the-Clock:* Lack of mailpiece automation scans.
    - *High Delivery Days:* The time between Start-the-Clock and Stop-the-Clock is 30 days or more for Presort First-Class Mail and 45 days or more for Standard, Periodicals, and Bound Printed Matter (Flats) Mail.
    - *Invalid 5-digit ZIP Code:* ZIP Code does not align with an area or district.
    - *Stop-the-Clock Scan before Actual Entry Date/Time:* Stop-the-Clock Scan Date/Time is before the Actual Entry Date/Time of its associated container.

10.2.4 Geographical Exclusions

In addition to the areas noted above, single-piece and commercial mail must originate and destinate in valid 3-digit ZIP Code areas in order to be included in measurement. All active 3-Digit ZIP Codes are included in Service Measurement, except for mail originating or destined for the ZIP Codes noted below.

- 090-098, 340, and 962-966 are all APO/FPO (military) ZIP Codes and fall outside of the capability of this measurement system. The mail is processed in a manner that will not produce a final automation scan that can serve as a reasonable proxy for delivery.
- Mail destinating to 202-205, which are the Federal Agency ZIP Code ranges in Washington D.C. All of this mail continues to be processed through a complex process of treatment and surveillance prior to delivery. There is no reliable means to measure actual service performance.
- 005, 055, 192, 375, 399, 459, 649, 733, 842 and 938 are unique 3-Digit ZIP Codes for IRS Processing Centers. Due to the unique processing and flow of this mail, there is no means to provide service measurement.
- 509, 555, 569, 771, 821, 872, 876, 885, 889, 901, and 942 are unique 3-digit ZIP Codes for either large businesses or government agencies. Due to the unique processing and flow of this mail, there is no means to provide service measurement. 569 is a unique 3-digit ZIP Code that is used only for a competitive product.
- ZIP Code 059 is excluded from external measurement due to the low number of available delivery points and collection boxes. These factors make the carrying out inductions and the recruitment and retention of sufficient reporter panelists for receiving test mail infeasible. (Due to the methodology and approach for performing internal service performance measurement, ZIP Code 059 will no longer be excluded in the Future State system.)

10.3 National Critical Entry Times (CET)

Mail Class			FCM Overnight
Origin	BMEU	Non-Co-Located	0000
	BMEU Co-Located, Mailer and USPS Transported	L012 Scheme	1200
		All other make-up	0800

Mail Class			FCM 2 Day / 3-5 Day	Standard	Periodicals	BPM
Origin	BMEU	Non-Co-Located	1500	1500	Listed Below	1500
		Co-Located	1800	1500	Listed Below	1500
	Mailer and USPS Transported	No Separation	1900			
		Working	2000			
		Presort	2100			
		Presort Assigned	2200			
		Hub - STC	2400			
		Hub - THS	0200P			
Destination	Drop-Ship	NDC, ADC, SCF, DDU	N/A	1600	Listed Below	1600
		Tran HUB		1600	1600	N/A
Periodicals (Origin and Destination)	FSS	No Bundle Sort Required 5-Digit/Scheme Container	N/A	N/A	1100	N/A
		Bundle Sort Required 3-Digit and Up Container	N/A		0800	
	Non-FSS	No Bundle Sort Required 5-Digit/Scheme Container	N/A	N/A	1400	N/A
		No Bundle Sort Required Pure Carrier Route Pallet	N/A		1700	
		Bundle Sort Required 3-Digit and Up Container	N/A		1100	

Table 10-1: National Critical Entry Times

10.4 Special Services

The business rules for service performance measurement for Special Services are intended to maintain a clearly defined structure for and ensure the reliability of the measurement system.

1. *Delivery Information Services.*

   1.1. Delivery information from the following Special Services riding on market-dominant products will be included in service measurement: USPS Tracking, Signature Confirmation, Certified Mail, electronic Return Receipt, Collect On Delivery, and Registered Mail.

   1.2. *"Start-the-Clock" and "Stop-the-Clock".* The "Start-the-Clock" is the time-stamp associated to the delivery event scan. The "Stop-the-Clock" is the posting of the delivery information for customers via the customer-accessible website. Delivery information services included in service measurement must have both a recorded

"Start-the-Clock" and "Stop-the-Clock".

2. *Automated Address Correction Service*

   2.1. *“Start-the-Clock” and “Stop-the-Clock” for Automated Address Correction.* The date and time scans are transmitted to the ACS system in the "Start-the-Clock". The date and time information is forwarded to subscribers in the “Stop-the-Clock”. ACS scan information included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock".

   2.2. Customers that choose to receive data outside of the service standard will not be included in service measurement.

3. *Post Office Box Service*

   3.1 Post Office Box service is internally measured using scanning technology to compare the actual availability of the day's mail delivered to a P.O. Box section to the posted “uptime”. If there is no daily scan from an office, the P.O. Box uptime for that office on that day will be considered late for service measurement.

   3.2. Contract postal units will not be included in service measurement.

   3.3. Sundays, postal holidays and other non-delivery days will not be counted in measuring service standard compliance.

4. *Insurance Claims Processing*

   4.1. *“Start-the-Clock” and “Stop-the-Clock”.* The date that all information is available for claims processing resolution is the “Start-the-Clock. The date on which either the system or the adjudicator pays, denies, or closes the claim and sends a response for the customer is the “Stop-the-Clock”. Insurance claims included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock".

   4.2. Designated postal holidays will not be counted in measuring service standard compliance.

5. *Postal Money Order Inquiry Processing.*

   5.1. *“Start-the-Clock” and “Stop-the-Clock”.* The purchase of the inquiry service is the "Start-the-Clock" event. The response to the customer in the Money Order Inquiry System (MOIS) is the “Stop-the-Clock” event. Money Order Inquiries included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock".

   5.2. Money order Inquiries with a Start-the-Clock date prior to the Money Order issue date will not be included in service measurement.

   5.3. Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

   5.4. Only fee-based Money Order Inquiries will be included in service measurement.

6. *Address List Service.*

   6.1. *“Start-the-Clock” and “Stop-the-Clock”.* The “Start-the-Clock” event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The “Stop-the-Clock” event is the transmission of the corrected address information from the district AMS office to the requestor. Address List Service requests included in service measurement must have both a recorded "Start-the-Clock" and "Stop-the-Clock".

6.2. Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

6.3. Requests received between November 16 and January 1 will not be included in service measurement.[29]

10.5 Weighting and Aggregation

Service performance measurement results for market dominant products in some cases are based on a subset of live pieces or a sample of test mailpieces for each product due to constraints which make it infeasible to assess the performance of a full census of the data. Weighting and aggregation are applied in service performance calculations to achieve results that are representative of the full population's performance.

10.5.1 Current State

10.5.1.1 First-Class Mail Single-Piece

First-Class Single-Piece letters, cards and flats performance is measured externally by the EXFC system. EXFC is a destination based system, meaning that roughly the same amount of test pieces destinate in all postal districts for each service standard, while origin volumes vary proportionally based on a 12-quarter rolling average of actual First-Class Mail Single-Piece volume estimates provided by the USPS. Origin performance cannot be calculated without using weighting factors to each destination. For this reason, sample estimates are calculated at the origin district-destination district-service standard level as the basic unit for scoring calculations. The estimates of actual mail volumes are aggregated to the origin district-destination district-service standard level and are applied to the base level results as weights in all further aggregated results, e.g. district or area level results.

Quarterly origin and destination performance estimates are calculated using a standard scoring calculation, which is the sum of all the weights times base score combinations for a given origin or destination, divided by the sum of the weights for that origin or destination. The origin-destination composite performance estimate is calculated by taking the weighted average of the origin and destination estimates.

Year-to-date performance estimates are calculated as a weighted average of quarterly results. The weights applied to each quarter's results are the sum of the quarterly volume weights multiplied by the number of delivery days in the quarter. The weights used represent average daily volumes. Therefore multiplying by the number of delivery days forms an estimate of the quarterly volume.

EXFC origin-destination composite results are also combined with First-Class Mail Parcels results provided by the Postal Service to formulate the combined First-Class Mail Single-Piece (SPFC) results that are posted quarterly on USPS.com. The combined SPFC result is calculated using a fixed ratio of EXFC to parcels. The ratio is based on the proportion that parcels represent of

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[29] The exclusion of the Nov 16-Jan 1 time frame for Address List Services performance measurement conforms to the service standard for this product published at 39 C.F.R. § 122.2(b). *See* 72 Fed. Reg. 72231 (December 19, 2007). As explained at 72 Fed. Reg. 58963 (October 17, 2007), the surge of holiday mail volume places an extraordinary demand on Postal Service personnel ordinarily responsible for fulfilling Address List Services requests, making it very difficult for them to fulfill such requests during this time frame.

quarterly First-Class Mail Single-Piece volume according to Postal Service volume estimates. The same ratio is applied to all levels of scoring aggregation: district, area and nation.

Year-to-date combined SPFC results are calculated by combining the year-to-date EXFC origin-destination composite performance estimate with the Parcels year-to-date origin-destination performance estimate using a fixed ratio representing the proportion that parcels represent of year-to-date Single-Piece First-Class Mail volume according to Postal Service volume estimates.

10.5.1.2 Single-Piece First-Class Mail International

Single-Piece First-Class international inbound and outbound letters performance is measured externally by IMMS. Modeled after EXFC, IMMS requires the application of weights for performance calculations. Sample estimates are calculated at the origin district-destination district-service standard level as the basic unit for scoring calculations for both inbound and outbound performance estimates. Estimates of actual inbound and outbound mail volumes are aggregated to the origin district-destination district-service standard level and are applied to the base level results as weights in all further aggregated results, e.g. area level or national results.

Quarterly inbound and outbound performance estimates are calculated using the same standard scoring calculation as described for the EXFC system. The inbound-outbound composite performance estimate is calculated by taking the weighted average of the inbound and outbound estimates.

Year-to-date performance estimates are calculated as a weighted average of quarterly results. The weights applied to each quarter's results are the sum of the quarterly volume weights multiplied by the number of delivery days in the quarter.

IMMS results are also combined with domestic flats results from EXFC and First-Class Mail Parcels results provided by the Postal Service to formulate the combined Single-Piece First-Class Mail International (SPFC-I) results, posted quarterly on USPS.com. The combined inbound SPFC-I result is calculated using a fixed ratio of letters to flats to parcels based on actual quarterly shape volume estimates. The combined outbound SPFC-I result is calculated using a fixed ratio of letters to flats; Outbound calculations do not include parcels, as outbound international parcels have been defined as a competitive product. The same ratio is applied to all levels of scoring aggregation within each component. Inbound-outbound composite SPFC-I results are calculated as the average of SPFC-I inbound and outbound estimates, weighted by estimates of inbound and outbound volumes.

Year-to-date combined SPFC-I results are calculated using the same methods as described above, using the year-to-date letters, flats and parcels performance estimates and year-to-date Single-Piece First-Class Mail inbound and outbound volumes estimates.

10.5.1.3 First-Class Mail Presort

Aggregation for First-Class Mail Presort letters is accomplished by calculating origin district-destination district scores at the service standard and final processing operation type levels. The delivery profiles are applied to these estimates based on the destination district and final processing operation type to create an end-to-end estimate of delivery times for the group. These estimates are then aggregated across the origins to form destinating district-service standard scores, and across the destinations to form originating district-service standard scores. This aggregation uses the

number of measured pieces as the weights. Area and national scores are calculated by aggregating district level results, weighted by the volumes. Origin/destination scores are formed as weighted averages of origin and destination scores, with the weights the measured pieces.

Year-to-Date scores use weights developed from Postal Service Revenue, Piece, and Weights (RPW) reports. The quarterly weights represent the proportion of presort letters/cards for each quarter of the total annual volume. Weights are used so that differences in full-service Intelligent Mail adoption rates and measured pieces during the year do not impact the service measurement.

First-Class Mail Presort letters/cards are combined with flats to form overall First-Class Mail Presort service performance scores. The methodology currently used relies on proxy scores from the EXFC system to measure flats performance because there is insufficient volume and geographic coverage of First-Class Mail Presort Flats. The combined First-Class Mail Presort scores are calculated using a fixed ratio of letters to flats. The ratio is established based on national level data from RPW reports and the national ratios are applied to all district, area, and national scores for each service standards.

10.5.1.4 Standard Mail

Aggregation for Standard Mail products is accomplished in a similar manner as for First-Class Mail Presort, except that the basic destination entry type (DDU, DSCF, DNDC, End-to-End) and mail shape are also included in the first-level aggregation. Because DDU-entry Saturation flats have a different measurement methodology from other Standard letters and flats, and due to imbalances in measured volume and population volumes by entry type and shape, weights are applied to the scores at the entry type and shape level. National level weights are created using RPW data for the quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of Standard Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.5.1.5 Periodicals Mail

Aggregation for Periodicals Mail is very similar to that for First-Class Mail Presort letters/cards, except that the destination entry type (Destination Entry, End-to-End) is included in the first level aggregation. Weights for Destination Entry and End-to-End proportions are used to counter imbalances in measured pieces versus the overall population. National level weights are created based on RPW data for each quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of Periodicals Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.5.1.6 Package Services

Aggregation for Bound Printed Matter Flats is the same as for Periodicals Mail. For Package Services parcels, measured using pieces with USPS Tracking information, the aggregation is

accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used.

10.5.1.7 Special Services

Aggregation for all Special Services scores is accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used at the product level. However, to estimate the Other Ancillary Services category and the overall Ancillary Services category, weights representing the revenue for the products included in measurement are applied to develop the overall measure of performance. Revenue is used rather than pieces because some Special Services are not based on volumes.

10.5.2 Future State

10.5.2.1 First-Class Mail Single-Piece

First-Class Mail Single-Piece letters, cards and flats performance is measured by the proposed measurement system which measures all single-piece mail.

Scores use weights developed from Postal Service Revenue, Piece, and Weights (RPW) reports to represent the proportion of single-piece letters/cards and flats for each quarter of the total annual volume.

10.5.2.2 Single-Piece First-Class Mail International

Single-Piece First-Class international inbound and outbound letters performance is measured externally by IMMS. IMMS requires the application of weights for performance calculations. Sample estimates are calculated at the origin district-destination district-service standard level as the basic unit for scoring calculations for both inbound and outbound performance estimates. Estimates of actual inbound and outbound mail volumes are aggregated to the origin district-destination district-service standard level and are applied to the base level results as weights in all further aggregated results, e.g. area level or national results.

Quarterly origin and destination performance estimates are calculated using a standard scoring calculation, which is the sum of all the weights times base score combinations for a given origin or destination, divided by the sum of the weights for that origin or destination. The inbound-outbound composite performance estimate is calculated by taking the weighted average of the inbound and outbound estimates.

Year-to-date performance estimates are calculated as a weighted average of quarterly results. The weights applied to each quarter’s results are the sum of the quarterly volume weights multiplied by the number of delivery days in the quarter.

IMMS results are also combined with domestic flats results from the internal service performance measurement system and First-Class Mail parcels results to formulate the combined Single-Piece First-Class Mail International (SPFC-I) results, posted quarterly on USPS.com. The combined inbound SPFC-I result is calculated using a fixed ratio of letters to flats to parcels based on actual quarterly shape volume estimates. The combined outbound SPFC-I result is calculated using a fixed ratio of letters to flats; Outbound calculations do not include parcels, as outbound international

parcels have been defined as a competitive product. The same ratio is applied to all levels of scoring aggregation within each component. Inbound-outbound composite SPFC-I results are calculated as the average of SPFC-I inbound and outbound estimates, weighted by estimates of inbound and outbound volumes.

Year-to-date combined SPFC-I results are calculated using the same methods as described above, using the year-to-date letters, flats and parcels performance estimates and year-to-date First-Class Mail Single-Piece inbound and outbound volumes estimates.

10.5.2.3 Presort First-Class Mail

Aggregation for First-Class Mail Presort letters is accomplished by calculating origin district-destination district scores at the service standard and final processing operation type levels. The delivery profiles are applied to these estimates based on the destination district and final processing operation type to create an end-to-end estimate of delivery times for the group. These estimates are then aggregated across the origins to form destinating district-service standard scores, and across the destinations to form originating district-service standard scores. This aggregation uses the number of measured pieces as the weights. Area and national scores are calculated by aggregating district level results, weighted by the volumes. Origin/destination scores are formed as weighted averages of origin and destination scores, with the weights the measured pieces.

Year-to-Date scores use weights developed from Postal Service Revenue, Piece, and Weights (RPW) reports. The quarterly weights represent the proportion of presort letters/cards for each quarter of the total annual volume. Weights are used so that differences in full-service Intelligent Mail adoption rates and measured pieces during the year do not impact the service measurement.

Presort letters/cards are combined with flats to form overall First-Class Mail Presort service performance scores. The methodology currently used relies on proxy scores from single-piece measurement to measure flats performance because there is insufficient volume and geographic coverage of First-Class Mail Presort Flats. The combined First-Class Mail Presort scores are calculated using a fixed ratio of letters to flats. The ratio is established based on national level data from RPW reports and the national ratios are applied to all district, area, and national scores for each service standards.

10.5.2.4 Standard Mail

Aggregation for Standard Mail products is accomplished in a similar manner as for presorted First-Class Mail, except that the basic destination entry type (DDU, DSCF, DNDC, End-to-End) and mail shape are also included in the first-level aggregation. Because DDU-entry Saturation flats have a different measurement methodology from other Standard letters and flats, and due to imbalances in measured volume and population volumes by entry type and shape, weights are applied to the scores at the entry type and shape level. National level weights are created using RPW data for the quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of Standard Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.5.2.5 Periodicals Mail

Aggregation for Periodicals Mail is very similar to that for First-Class Mail Presort letters and cards, except that the destination entry type (Destination Entry, End-to-End) is included in the first level aggregation. Weights for Destination Entry and End-to-End proportions are used to counter imbalances in measured pieces versus the overall population. National level weights are created based on RPW data for each quarter, and are applied to all scores at the district, area, and national levels.

Year-to-Date scores use weights developed from RPW reports. The quarterly weights represent the proportion of Periodicals Mail pieces for each quarter of the total annual volume. Weights are used so that differences in Full Service Intelligent Mail adoption rates and the volume of measured pieces during the year do not impact the service measurement.

10.5.2.6 Package Services

Aggregation for Bound Printed Matter Flats is the same as for Periodical mail. For Package Services parcels, measured using pieces with USPS Tracking information, the aggregation is accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used.

10.5.2.7 Special Services

Aggregation for all Special Services scores is accomplished simply by adding up the total number of on time pieces divided by the total pieces delivered for the period at whatever level is being reported. No weights are used at the product level. However, to estimate the Other Ancillary Services category and the overall Ancillary Services category, weights representing the revenue for the products included in measurement are applied to develop the overall measure of performance. Revenue is used rather than pieces because some Special Services are not based on volumes.

10.6 Modern Service Standards for Market Dominant Products

The following tables are provided as a reference for the modern service standards.

Mail Class	End-to-End Flow Range (days)*
First-Class Mail	1-3
Periodicals	1-9
Standard Mail	3-10
Package Services	2-8

Table 10-2: Domestic Origin Entry mail

* See 77 FR 31190 (May 25, 2012) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.

	End-to-End Flow Range (days)*			
Mail Class	DDU (days)	SCF (days)	ADC (days)	NDC (days)
Periodicals	1	1	1-2	1-2**
Standard Mail	2	3		5
Package Services	1	2		3

Table 10-3: Domestic Destination Entry Mail

* See 77 Fed. Reg. 31190 (May 25, 2012) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.
** Only applies to Periodicals receiving the NDC Container rate

Service	Standard
Delivery Information Services * USPS Tracking * Signature Confirmation * Certified Mail * Registered Mail[30] * Collect on Delivery * Electronic Return Receipt	Availability of delivery information within 24 hours
IMb Tracing	Availability of scan information within 24 hours
Address Correction Service (automated)	Availability of address information within 24 hours
P.O. Box Service	Mail delivered by posted P.O. Box uptime
Insurance Claims Processing	Claims processing within 30 calendar days
Money Order Inquiry	Customer response within 15 business days
Address List Services	Information within 15 business days

Table 10-4: Special Services

10.7 Postal Regulatory Commission Reports

The attached file contains copies of reports submitted to Commission for PFY 2014 Quarter 3, for reference.

PRC PF2014 Q3.zip

10.8 Special Studies

Every two years, the Postal Service conducts a special study to compare service performance of mail to the rural areas of the Alaska, Honolulu and Caribbean districts with the gateway areas within the districts. The results from the study are provided to the Commission as part of the Annual Compliance Report.

[30] Registered Mail includes domestic mail and inbound international mail.

10.9 Mail Classification Schedule (MCS) Product List

The following table cross references the product by document section, for the current and proposed future measurement systems.

PRODUCT NAME	CURRENT MEASUREMENT	FUTURE MEASUREMENT
FIRST-CLASS MAIL		
Single-Piece Letters/Postcards	4.2.1	4.2.2
Presorted Letters/Postcards	4.3.1	4.3.2
Flats	4.2.1 for single-piece and 4.3.1 for presorted. Single-piece used as proxy for presorted.	4.2.2 for single-piece and 4.3.2 for presorted
Parcels	4.4	Proposed transfer from the market dominant to competitive product lists in the MCS. See Docket No. MC2015-7.
Outbound Single Piece FCM International	5.1 For flats: Domestic single-piece flats used as proxy.	5.2
Inbound Letter Post	5.1 For flats and parcels: Domestic single-piece flats and parcels used as proxy.	5.2
STANDARD MAIL (COMMERCIAL AND NONPROFIT)		
High Density and Saturation Letters	6.2.1	6.3.1
High Density and Saturation Flats/Parcels	6.2.2 for high density flats, 6.2.3 for saturation flats, and 6.2.4 for high density and saturation parcels	6.3.2 for high density flats, 6.3.3 for saturation flats, and 0 for high density and saturation parcels
Carrier Route	6.2.1 for letters, 6.2.2 for flats, and 6.2.4 for parcels	6.2.1 for letters, 6.2.2 for flats, and 6.2.4 for parcels
Letters	6.2.1	6.3.1
Flats	6.2.2 for non-saturation flats and 6.2.3 for saturation flats	6.3.2 for non-saturation flats and 6.3.3 for saturation flats
Parcels	6.2.4	6.3.4
Every Door Direct Mail – Retail	N/A	6.3.3
PERIODICALS		
In-County Periodicals	All Periodicals used as proxy. See 7.2.1.	All Periodicals used as proxy. See 7.3.1.
Outside County Periodicals	7.2.1	7.3.1
PACKAGE SERVICES		
Alaska Bypass Service	Standard Post used as a Proxy.	NR
Inbound Surface Parcel Post (at UPU rates)	Standard Post used as proxy. See 8.4.2	Standard Post used as proxy. See 8.4.2
Bound Printed Matter Flats	8.2 for retail and 8.3 for presort	8.2 for retail and 8.3 for presort
Bound Printed Matter Parcels	8.2 for retail and 8.3 for presort	8.2 for retail and 8.3 for presort
Media Mail/Library Mail	8.2 for retail and 8.3 for presort	8.2 for retail and 8.3 for presort
SPECIAL SERVICES: ANCILLARY SERVICES		

PRODUCT NAME	CURRENT MEASUREMENT	FUTURE MEASUREMENT
Address Correction Service	9.3	9.3
Applications and Mailing Permits	NR	NR
Business Reply Mail	NR	NR
Bulk Parcel Return Service	NR	NR
Certified Mail	9.2	9.2
Certificate of Mailing	NR	NR
Collect on Delivery	9.2	9.2
USPS Tracking	9.2	9.2
Insurance	9.5	9.5
Merchandise Return Service	NR	NR
Parcel Airlift (PAL)	NR	NR
Registered Mail	9.2	9.2
Return Receipt	9.2 for electronic and 9.9 green card	9.2 for electronic and 9.9 green card
Return Receipt for Merchandise	NR	Proposed removal from the MCS. See Docket No. MC2015-8.
Restricted Delivery	NR	NR
Shipper-Paid Forwarding	NR	NR
Signature Confirmation	9.2	9.2
Special Handling	NR	NR
Stamped Envelopes	NR	NR
Stamped Cards	NR	NR
Premium Stamped Stationery	NR	NR
Premium Stamped Cards	NR	NR
SPECIAL SERVICES: INTERNATIONAL ANCILLARY SERVICES		
International Certificate of Mailing	NR	NR
International Registered Mail	Outbound International Registered Mail: semi-permanent exception granted. Inbound International Registered Mail: 9.2.	Outbound International Registered Mail: semi-permanent exception granted. Inbound International Registered Mail: 9.2.
International Return Receipt	NR	NR
International Restricted Delivery	NR	NR
International Insurance	NR	NR
Customs Clearance and Delivery Fee	NR	NR
SPECIAL SERVICES: OTHER		
Address Management Services	9.7	9.7
Caller Service	NR	NR
Credit Card Authentication	NR	NR
International Reply Coupon Service	NR	NR
International Business Reply Mail Service	NR	NR
Money Orders	9.6	9.6

PRODUCT NAME	CURRENT MEASUREMENT	FUTURE MEASUREMENT
Post Office Box Service	9.4	9.4
Customized Postage	NR	NR
Stamp Fulfillment Services	9.8	9.8

Table 10-5: MCS Product List

NR indicates that the information is not required due to semi-permanent exception.

TRADEMARKS

The following are among the trademarks owned by the United States Postal Service: Certified Mail™, Click-N-Ship®, CONFIRM®, DMM®, Express Mail®, FAST*forward*®, First-Class Mail®, Intelligent Mail®, MERLIN™, P.O. Box™, Parcel Post®, Parcel Select®, PC Postage®, PLANET®, PLANET Code®, Post Office™, *PostalOne!*®, Postal Service™, Priority Mail®, Registered Mail™, Signature Confirmation™, Standard Mail®, United States Postal Service®, U.S. Mail™, U.S. Postal Service®, USPS®, USPS *www.usps.com*®, USPS Tracking™, ZIP+4®, and ZIP Code™. This is not a comprehensive list of all Postal Service trademarks.