

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Service Performance Measurement  
Systems For Market Dominant Products

Docket No. PI2015-1

CHAIRMAN'S INFORMATION REQUEST NO. 1

(Issued March 24, 2015)

To clarify the proposals presented by the Postal Service in Docket No. PI2015-1, Service Performance Measurement plan, the Postal Service is requested to provide a written response to the following questions.<sup>1</sup> Answers to the questions should be provided as soon as they are developed, but no later than March 31, 2015.

1. What is the Postal Service's current annual cost to comply with the service performance measurement and reporting requirements specified in 39 U.S.C. § 3652(a)(2)(B)(i) and 39 C.F.R. § 3055 subparts A and B? When providing an answer to this question, please:
  - a. Disaggregate the total cost by class of mail (First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services) or product if available;
  - b. Disaggregate costs by class of mail, or product if available, between amounts paid to outside vendors and those internally incurred; and
  - c. Provide a description of the tasks included within each cost segment.

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<sup>1</sup> See United States Postal Service, Service Performance Measurement, Revised March 2015, filed March 3, 2015, and is referred to as the "Postal Service Plan" throughout this information request.

2. What is the Postal Service's current annual cost to operate the External First Class (EXFC) measurement system? When providing an answer to this question, please:
  - a. Disaggregate the total cost by class of mail (First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services) or product if available;
  - b. Disaggregate costs by class of mail between amounts paid to outside vendors and those incurred internally for management of the EXFC system; and
  - c. Disaggregate costs by those required for service performance and reporting to the Commission and by those required by the Postal Service for its own internal purposes.
3. What is the Postal Service's estimated nonrecurring cost to implement the proposals in the Postal Service Plan? When providing an answer to this question, please provide specifics in regard to:
  - a. Internal Postal Service costs;
  - b. External vendor costs (for example, the costs for the outside vendor to develop statistical plans and procedures to implement the measurement and reporting proposals); and
  - c. Equipment costs (for example, scanners, data processing equipment, etc.).
4. What is the Postal Service's estimated recurring annual cost to provide service performance measurement and reporting pursuant to the proposals in the Postal Service Plan? When providing an answer to this question, please:

- a. Disaggregate the total cost by class of mail (First-Class Mail, Standard Mail, Periodicals, Package Services, and Special Services) or product if available;
  - b. Disaggregate costs by class of mail, or product if available, between amounts paid to outside vendors and those internally incurred; and
  - c. Disaggregate costs by those required for service performance and reporting to the Commission and by those required by the Postal Service for its own internal purposes.
5. Please confirm that the Postal Service intends to implement the proposals in the Postal Service Plan for internal use regardless of whether or not the Commission approves use of these systems for service performance measurement and reporting for the purposes of 39 U.S.C. § 3652(a)(2)(B)(i) and 39 C.F.R. § 3055 subparts A and B. Please provide further explanation as necessary, including a description of any differences between the Postal Service Plan and a measurement system intended for internal use only.
6. Please answer this question assuming that the Postal Service will use the proposed service performance measurement systems for internal use only, and will not be required to comply with the service performance measurement and reporting requirements specified in 39 U.S.C. § 3652(a)(2)(B)(i) and 39 C.F.R. § 3055 subparts A and B.

What is the Postal Service's estimated recurring annual cost to provide service performance measurement and reporting pursuant to the proposals in the Postal Service Plan for internal purposes only? Please provide similar desegregations, as specified in questions 1 through 5 above, as appropriate.

7. What is the annual cost (in both hours and dollars) for carriers to perform the "first mile" function associated with the proposals in the Postal Service Plan?

8. What is the annual cost (in both hours and dollars) for carriers to perform the “last mile” function associated with the proposals in the Postal Service Plan?
9. Please provide the Postal Service’s most recent schedule to implement the proposals in the Postal Service Plan. When providing an answer to this question, please:
  - a. Provide separate implementation schedules for individual products, if the proposed measurement systems are implemented at different times for different products;
  - b. Provide the date that a complete fiscal quarter of service performance may be reported (by product if necessary) pursuant to 39 C.F.R. § 3055 subpart B utilizing the measurement systems proposed in the Postal Service Plan; and
  - c. Provide the date that a complete fiscal year of service performance may be reported (by product if necessary) pursuant to 39 C.F.R. § 3055 subpart A utilizing the measurement systems proposed in the Postal Service Plan.
10. Please provide all completed documentation in regard to the statistical systems and procedures necessary to implement the proposals in the Postal Service Plan (for example, the documentation developed by third parties for the Postal Service). For documentation that has not been completed, please identify the documentation and provide an estimate of when this documentation may be provided to the Commission.
11. The Glossary of Terms in the Postal Service Plan, at 7 includes the following definition:

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.

This definition differs from the definition provided by the Postal Service in Docket No. PI2008-1, United States Postal Service, Service Performance Measurement, November 2007, filed December 4, 2007, at 3.

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

This definition also differs from the definition provided in Publication 32, Glossary of Postal Terms, July 2013.

critical entry time; CET; (1) For mailers, the latest time that a reasonable amount of a mail class or product can be received at the platform at designated induction points in the postal network for it to be processed and dispatched in time to meet service standards (i.e., the latest time when mail can be presented to postal operations of Day Zero processing). (2) For USPS, the latest time that committed mail can be received in an operation and still be processed before clearance time to meet the service standard for mail processing, dispatch, and final delivery.

- a. Please explain the intended effect of changing the definition of critical entry time from the version appearing in Docket No. PI2008-1, United States Postal Service, Service Performance Measurement, November 2007, filed December 4, 2007, at 3 to the version appearing in the Postal Service Plan.
- b. Please explain why different definitions of critical entry time appear in the Postal Service Plan, and Publication 32, Glossary of Postal Terms, July 2013. Please include explanations of the intent of the differences, and any reasons that the definitions are not the same.
- c. Please explain the meaning of “a reasonable amount of a class of mail” appearing in the Postal Service Plan. Please include an explanation of the impact of an “unreasonable” amount of mail would have on critical entry time.

12. Please describe the operational functions that the Mobile Delivery Device (MDD) is intended to accomplish, and the device's technical features (for example, battery life between recharges, password and data security, intended lifespan of the device, Global Positioning System capabilities, etc.).
13. What procedures will be taken to maintain the integrity of data if a carrier is not able to scan a collection box or mailpiece when prompted?
14. Page 24 of the Postal Service Plan states, "...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."
  - a. Please describe the process used to collect and develop "the average volume of each collection point."
  - b. How frequently is a collection box's average volume updated?
15. The Postal Service currently reports the "last mile" factor for applicable products in its periodic reports to the Commission. Does the Postal Service intend to similarly report the "first mile" factor for applicable products?
16. Please explain how mail entered at a retail counter is included in the "first mile" factor.

By the Acting Chairman.

Robert G. Taub