

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Service Performance Measurement  
Systems For Market Dominant Products

Docket No. PI2015-1

OPENING COMMENTS OF DOUGLAS F. CARLSON

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Pursuant to Order No. 2385, I am filing these comments about the Postal Service's proposed new service performance measurement system for single-piece First-Class Mail.

**I. INTRODUCTION AND BACKGROUND**

The Postal Service describes three main components of the journey of single-piece First-Class Mail: first mile, processing duration, and last mile. For brevity in these comments, I may use "letter" to describe post cards, letters, and flats.

The "first mile" refers to the portion of a letter's journey from the collection box to the processing plant.<sup>1</sup> Processing duration is the time between the first scan in a mail processing plant and the last scan in a mail processing plant or facility. The "last mile" refers to the portion of a letter's journey between the processing facility where the final scan on processing equipment occurs and the delivery address<sup>2</sup>.

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<sup>1</sup> United States Postal Service Service Performance Measurement ("Measurement"), filed March 24, 2015, at 18.

<sup>2</sup> *Id.* at 15.

While convenient as descriptions, “first mile” and “last mile” are misnomers because, in reality, hundreds of miles and several postal facilities and vehicles may lie between a collection box and a processing plant and between a processing plant and a delivery address. Many problems can and do occur during the “first mile” and “last mile,” so these portions of a letter’s journey directly affect on-time delivery.

## **II. SUMMARY**

With the proposed new performance measurement system, the Postal Service, by tracking large quantities of mail pieces as they move through the processing system, should capture accurate data on the processing duration for First-Class Mail. For processing duration, the new plan may represent an improvement over the current External First-Class Measurement System (EXFC) by measuring a substantial portion of the mail volume, rather than a representative sample that is subject to statistical sampling error.

Processing duration, however, is only part of a letter’s delivery time. Actual delivery time includes total time from the collection box to the recipient’s mailbox, a journey that includes the first mile, processing duration, and last mile.

Three factors may cause the Postal Service’s new plan to provide information about the first mile and last mile that will less accurately represent the customer experience, and actual delivery time, than EXFC. First, the new plan identifies test mail to postal employees during the first mile and the last mile. Second, the plan appears to exclude the failure of employees to perform their duties properly as a factor that a measurement system should capture. Third, the new plan will not detect instances in which the final collection time for a collection box listed in the Collection Point Management System (CPMS) is earlier than the final collection time posted on the collection box.

In addition, the plan does not adequately ensure that mail destined to post office boxes will be scanned at the time of delivery and will, in fact, be delivered to the correct box.

Due to these shortcomings, the Postal Service's plan would not qualify as an "objective" performance measurement system within the meaning of 39 U.S.C. § 3691(b)(1)(D).

### **III. CURRENT STATE: EXFC**

To the extent that droppers accurately report the date of mailing and reporters accurately report the date of receipt, EXFC is a true end-to-end delivery time measurement system that should reflect the experience of customers. The EXFC system, combined with management initiatives to improve EXFC scores and determine the root cause of test mail delivery failures, is largely responsible for a major improvement in delivery consistency in the past two decades.

Confidentiality is one central principle of EXFC. The Postal Service strives to maintain confidentiality of test mail bundles, test mail, and recipients. The Postal Service excludes from EXFC calculations bundles that postal employees identify prior to processing "to prevent potential bias in performance results."<sup>3</sup> The Postal Service also excludes from EXFC calculations test pieces destined to a reporter whom postal employees have identified as a participant in the study "to prevent potential bias in delivery behavior and/or performance results."<sup>4</sup> These steps are necessary because, over the years, the Postal Service has identified instances in which employees and managers have implemented processes, or taken extraordinary steps, to expedite delivery or ensure accurate delivery of identified EXFC test mail while not providing similar service for other mail.

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<sup>3</sup> Measurement at 77.

<sup>4</sup> Measurement at 78.

## IV. FUTURE STATE

### A. No Confidentiality

The Postal Service's future-state plan dismisses the importance of confidentiality. In the first mile, employees collecting mail from collection boxes will know exactly which mail counts toward the service measurement system because their scanner device will prompt them to scan mail pieces from each collection box. In fact, the employees will be able to *choose* the test mail pieces and, if they wish, set them aside for special handling.

At least as significantly, employees will know which mail is *not* test mail. Employees no longer will need to worry about sweeping every potential EXFC test letter out of a collection box. Scanning the CPMS bar code in the box and removing enough letters, if any, to scan for the new service performance measurement system will suffice, and no supervisor likely will ever know the difference. While one might expect employees to remove all mail from collection boxes, I have observed employees on several occasions not fully inspecting the white tub in the box or not removing the white tub to ensure that no mail was behind it. These situations may be most likely to occur when the employee has already performed a collection at a high-volume location several minutes before the final collection time and then returns to scan the boxes after the final posted collection time. Also, while EXFC and the CPMS have drastically reduced the frequency of missed collections and delayed postmarks of collection box mail compared to the pre-EXFC 1980s, delays still occur. For each service failure that I have experienced and researched, the box was scanned as collected. We will never know whether the employee actually removed the mail from the box. These problems should not occur, but they do, and they can affect delivery times for single-piece First-Class Mail.

Perhaps more commonly, if a CPMS discrepancy report shows that a collection box was scanned prior to the final collection time, or was not scanned at all, today local postal managers will send a carrier to the collection box to collect the mail. Managers may even direct an employee to drive this mail to the processing plant if the final dispatch truck has already departed. Why? Because EXFC test mail may be in the box. Under the new system, however, as long as the scanner device did not beep for a scan of test mail in the collection box, employees will know that the box with the early or missed collection did not contain test mail. Local postal managers may be less likely under the new system than under EXFC to resolve collection discrepancies if they know that no test mail was in the box. Local managers pressed to reduce work hours may not undertake the additional effort and expense to collect and transport this mail to the processing plant on the same night, perhaps more than 50 or 100 miles away, if the dispatch truck has already departed and, under the new system, the scanner did not beep to scan test mail from the box.

Similarly, if a carrier on a late-afternoon collection run in a city is delayed in his return to the post office and misses the final dispatch truck, one can imagine the local supervisor asking, "Is any test mail in your truck?" If the answer is no, will the supervisor schedule a special trip to the processing plant for this mail?

In short, under EXFC, the boxes in question may have contained test mail, so postal managers will expend great effort to collect and process the mail — preventing a service failure for customers in the process. Under the new system, local managers will know if the collection box or carrier's truck did not contain test mail and may not make a special effort to avoid delaying this mail.

Thus, in the first mile, the new system is flawed both because employees will know which mail is the test mail and because, perhaps even more significantly, they also will know that the vast majority of mail they are handling *definitely is not test mail*. The confirmation that most mail on hand is not test mail

will represent a major departure from an objective performance measurement system such as EXFC, under which employees and managers needed to assume that nearly all mail on hand could be test mail — an assumption that caused them to expedite it, to the benefit of customers.

Employees' knowledge of the identity of test mail similarly will affect the last mile. During the last mile, delivery employees will not need to worry about EXFC test pieces lurking in the mail they are delivering. They simply will need to wait for their scanner to beep, and then they will know which mail to make a special effort to deliver properly. Human nature suggests that delivery employees will look a little more closely than normal at the address or apartment number before placing a scanned letter in a mailbox. When employees think that the boss may be watching, they will be likely to perform their jobs more carefully (even though, ironically, with the new measurement system, the boss, and the measurement system, likely will *not* know if an employee scans a letter and places it in the wrong apartment mailbox or the neighbor's mailbox). Indeed, in my experience, I am more likely to receive my house or apartment neighbor's mail than mail for someone across town, so the measurement system, as currently designed, will miss the most frequent cases of incorrect delivery.

The concern about behavior and bias that so deeply occupied the Postal Service in the design and operation of EXFC has evaporated in the plan for the future-state system. However, these concerns remain. A measurement system should not identify, let alone allow employees to choose, the test mail. In this aspect, the new measurement system would resemble a mystery shopper program in which the shopper would always identify himself to the store clerk as the mystery shopper.

Congress likely had EXFC in mind when it enacted 39 U.S.C. § 3691(b)(1)(D) and used the term “objective.” A performance measurement system in which postal employees can identify the test mail, including which mail is not the test mail, is not an “objective” performance measurement system.

Under the proposed plan, members of the public could reasonably conclude that the identified test mail was receiving better service than their own mail and that managers were receiving performance awards or extra compensation based on the special treatment that they afforded to identified test mail.

## **B. Employee Errors**

When asked twice at the technical conference on March 18, 2015, about the possibility that employees might not sweep all mail from collection boxes, Steve Dearing, manager, Mailing Information Systems, appeared to dismiss the possibility of employee errors as outside the scope of this measurement system. Mr. Dearing tried to reassure the audience and Internet listeners that the Postal Service has people with “guns and badges” to investigate employee misconduct.

The problem is, employee errors are one of many common causes of mail delays. Plenty of opportunities for error exist during the first mile and last mile, which are labor-intensive processes outside the control of automated mail processing systems and plants. As I have observed, and as attendees at the technical conference observed, employees may not remove all mail from collection boxes. Similarly, delivery employees may scan a mail piece and then deliver it to a nearby house or apartment mailbox — which probably is the most common case of incorrect delivery. A service performance system must capture these employee errors as delivery delays. The EXFC system does. The new system will not.

Moreover, the Postal Service will not dispatch “guns and badges” to investigate employees who do not completely sweep mail from collection boxes or who deliver a mail piece to the wrong apartment number after scanning it because the service performance system will not have captured the error or delay. Even in the unlikely event that a will exists to dispatch “guns and badges,” the performance measurement system will not detect these errors. In contrast, the EXFC system can identify these employee errors.

Also, in my example in section IV.A, *supra*, I noted that a postal manager may not send mail from a collection box or carrier's truck on a special 50-mile journey to the processing plant if that mail arrives at the post office after the dispatch truck has departed and if the manager knows that none of the mail is test mail. Even if the Postal Service requires the manager to send this mail to the processing plant, he/she may not send it. The performance measurement system would not capture this employee error, nor would anyone dispatch "guns and badges."

### **C. Collection Times Label Discrepancies**

The integrity of the collection system assumes, and requires, that the final collection time posted on the collection box matches the final collection time listed in the CPMS. If the final collection time in the CPMS is earlier than the final collection time posted on the collection box, collections made after the time listed in the CPMS will satisfy postal managers who audit daily CPMS reports. Moreover, mail that customers deposit between the actual collection and the posted collection time will never be selected as test mail on the day of deposit. In reality, however, customers' mail will be delayed every day. This potential discrepancy is a weak link in the collection system that the new system will not capture.

EXFC droppers are supposed to report instances in which the time on the label does not match the time in the CPMS. EXFC droppers visit only a fraction of collection boxes, but at least they provide one avenue for detecting discrepancies.

Label discrepancies are not merely a theoretical possibility. The Postal Service changed Saturday collection times in the CPMS for many collection boxes in Berkeley, California, in May 2014 but did not bother to post new labels on the boxes. Some collection times posted on collection boxes were as late as 4:30 PM, but the actual collection time listed in the CPMS was 1:00 PM. Postal officials in the Bay-Valley District were indifferent when I started notifying the

Postal Service of discrepancies that I discovered. Only when I contacted the Pacific Area did the Postal Service take the only appropriate action, which was promptly to relabel every box in the city in November 2014, six months after the collection times changed. A Freedom of Information Act request revealed that two EXFC drops occurred on one Saturday in Berkeley during the relevant time period, but they took place at collection boxes that did not experience a change in Saturday collection time, so the EXFC system did not detect the discrepancy — but it could have.

By eliminating EXFC, the Postal Service will remove an independent, external method of detecting collection times labels that do not match the CPMS. My experience in Berkeley demonstrates that local postal officials cannot be trusted to ensure that the correct collection time is posted on each collection box.

#### **D. Post Office Boxes**

At the technical conference, Mr. Dearing explained that GPS information will help to ensure that letter carriers scan mail in close proximity to the actual delivery address. However, I am uncertain how the Postal Service plans to ensure that clerks actually place test mail in post office boxes after being prompted to scan it. Delivery delays at post office box sections are a problem, and, if the mail was finalized on DPS, employees could easily locate and scan the requested test letters but not deliver them by the “box up time.” Once again, a performance measurement system that identifies test mail to employees is fundamentally flawed. Also, clerks who are providing timely delivery of box mail might scan test mail pieces and then accidentally deliver them to the wrong box, an error that the measurement system would not capture.

**The Commission should ask the Postal Service to clarify how it intends to ensure that clerks are delivering box mail to the correct box at the time of the scan.**

## **V. Conclusion**

The new service performance measurement system for First-Class Mail may improve upon EXFC for measuring processing duration. However, the new system is likely to introduce bias and cause unusual employee behaviors because the system, by design, identifies which mail is test mail and which mail is not test mail. Also, in the first mile, the system will allow employees to select the test mail. The lack of confidentiality likely will render the new service performance measurement system not to be “objective” within the meaning of 39 U.S.C. § 3691(b)(1)(D), and the new system will fail to inspire the public confidence in a measurement system that an objective system should provide.

Respectfully submitted,

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