

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

SERVICE PERFORMANCE MEASUREMENT
SYSTEMS FOR MARKET DOMINANT PRODUCTS

Docket No. PI2015-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-4 OF CHAIRMAN'S INFORMATION REQUEST NO. 2**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 2, issued on March 26, 2015.

Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
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1. The following questions concern mail that is left for pickup by carriers in residential mailboxes or at the counter of small businesses.
 - a. Please provide an estimate of the volume of First-Class Mail, Single-Piece Letters/Postcards left for carrier pickup. Please identify the source data for this estimate.
 - b. Please describe how mail left for carrier pickup is included in the First Mile Impact measurement. If it is not included, please explain why it is not and what steps the Postal Service would have to take to include this mail in measurement.

RESPONSE

- a. A 2013 study performed as part of the analysis underlying the Docket No. RM2015-7 petition for review of proposed changes to analytical principles pertinent to the City Carrier Street Time Model yielded the following estimates for induction of single-piece First-Class Mail:
 - 29 percent: from customers across the window or dock;
 - 33 percent: from collection points; and
 - 38 percent: from carriers accepting mail from customers.
- b. The proposed First Mile design does not include carrier scanning at the customer mail receptacle. Since single-piece First-Class Mail, irrespective of its induction as outgoing mail in a blue collection box, at a postal retail counter, or at a customer mail receptacle, follows the same general mail process flow (i.e., dispatch from retail/delivery units to mail processing centers), scans at collection points and retail facilities serve as reasonable proxies for the mail left at customer mail receptacles.

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Since the proposed measurement system will measure single-piece First-Class Mail dropped at collection points **and** single-piece First-Class Mail accepted at Postal Service-operated retail units, the proposed measurement system is designed to collect First Mile measurement for a greater percentage of single-piece First-Class Mail than EXFC. As indicated above in response to subpart (a), mail dropped at collection points and mail accepted at retail facilities combine to represent a large majority of single-piece First-Class Mail.

The proposed First Mile design leverages the fact that collection boxes consist of known collection points that would contain mail. Therefore, we have the ability to drive First Mile scan execution. Due to the lack of predictability of when mail may be left at a customer mail receptacle, it would difficult to design an effective solution to ensure the same level of scan execution without a significant number of false positives (polling a carrier to scan mail at a customer mail receptacle when no outgoing mail is present).

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2. Page 24 of the Postal Service Plan states: "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."
- a. Please describe what CPMS scans are considered "valid" and what CPMS scans are considered "invalid."
 - b. Please provide the methodology (including any applicable statistical tests) regarding validation of CPMS scan data.

RESPONSE

(a-b) The latitude and longitude of the CPMS and SPM sampling scans are captured and transmitted by the Mobile Delivery Device (MDD) along with the scan record. This latitude and longitude are then compared to the latitude and longitude of the physical collection box, which are measured using the reported latitude and longitude of daily CPMS scans. Each time an employee retrieves mail from a collection box, the employee is required to scan the CPMS barcode within the collection box. The system will compare the latitude and longitude associated with the specific collection point barcode in the system to the scans reported from MDD. If the SPM sampling scans occur within the latitudes and longitudes that correspond to the physical collection box, then the scans are considered valid.

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3. Page 18 of the Postal Service Plan states: "Postal Service Delivery Operations conducts periodic density tests of collection boxes. Density tests are performed for a continuous two-week period."
- a. Please define the term "density tests" and provide the description for the underlying methodology (including applicable statistical tests).
 - b. Page 24, footnote 23 of the Postal Service Plan refers to a density volume test. Please confirm that the term "density volume test" is the same as a "density test." If not confirmed, please explain the difference.
 - c. Please explain the difference, if any, between a collection box's density and the collection box's average volume.

RESPONSE

- a. The average volume of a collection point is measured using a density volume test. The density test process is conducted as follows:
 1. Use an actual count for letters or record a linear measurement of letters contained in the box.
 2. Convert the linear measurement to pieces at 227 pieces per foot (or current conversion figure).
 3. Add actual piece counts for flats and small parcels.Density tests are conducted for a continuous 2-week period. Where multiple boxes are collected, mail volume from all boxes is summed.
- b. The terms "density volume test" and "density test" are interchangeable in the context of the Postal Service Plan document.
- c. In the context of the Postal Service Plan document, the periodic density tests of collection boxes refers to the measurement of the collection box's average volume.

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4. Page 27 of the Postal Service Plan 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."
- a. Please confirm that with the proposed measurement system, the Start-the-Clock time will be determined the same way as it is currently determined. If not confirmed, please provide an explanation of the proposed changes.
 - b. If "a" is confirmed, please confirm that the methodology for the service performance measurement of the processing duration will be the same as the current methodology. If not confirmed, please provide an explanation of the proposed changes.

RESPONSE

- a. It is confirmed that the Postal Service intends to calculate the Start-the-Clock date for presort mail under the proposed measurement system on the basis of the business rules in effect at the end of the operation of the current measurement system.
- b. It is confirmed that the Postal Service intends to calculate the Processing Duration for presort mail under the proposed measurement system on the basis of the business rules in effect at the end of the operation of the current measurement system.