

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

ANNUAL COMPLIANCE REVIEW, 2014

Docket No. ACR2014

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-13 OF CHAIRMAN'S INFORMATION REQUEST NO. 15

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 15, issued on April 1, 2015.

Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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April 6, 2015

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1. In responding to this question, please refer to Tables 1 and 2 below which show selected FY 2013 Customer Experience Measure (CEM) survey results related to the customers’ experiences contacting the Postal Service (which, as measured by the CEM in FY 2013, was most often, through the local post office). Did the Postal Service have a measurement system in FY 2014 that collected the same, or comparable, information regarding the customer’s experience contacting local post office staff performance? If so, please provide a description of the measurement system used in FY 2014 and the performance results obtained.

Table 1¹

FY 2013 CEM Survey Responses	Percent of Residential Customers Very Satisfied or Mostly Satisfied	Percent of Small/Medium Business Customers Very Satisfied or Mostly Satisfied
Experience with most recent contact with USPS	61.5	51.0

¹ Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-9 of Chairman’s Information Request No. 10, March 4, 2014 (Responses to CHIR No. 10). See question 3(a).

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Table 2²

FY 2013 CEM Survey Responses Related to Contacting the Postal Service	Percent of Residential Customers who Strongly or Somewhat Agree	Percent of Small/Medium Business Customers who Strongly or Somewhat Agree
Was easy to reach.	75.1	67.2
Provided the information needed.	72.2	64.3
Resolved the issue promptly.	58.9	49.9
Assumed ownership of my issue.	56.4	48.0

RESPONSE:

No.

² Percentages shown were calculated from the unweighted sample responses to questions “15b” (easy to reach), “15d” (info), “15e” (issue), and “15f” (ownership) in the “CEM Question Response Counts_FY13_Final” Excel file in the “Residential” and “Small_Med Business” worksheets for the respective customers responses provided in Docket No. ACR2013, Library Reference USPS-FY13-38. In calculating the percentages shown, “Don’t Know” and “Multiple Responses” were not included in the denominator.

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2. The "USPS-FY14-38 Preface.pdf" file in Library Reference USPS–FY14-38 shows that a much larger number of Delivery Surveys were initiated for small/medium business customers (800,017) than for residential customers (470,631) in FY 2014. Please explain how the small/medium business customers sample is selected such that the number initiated is much higher than that for the residential customers sampled.

RESPONSE:

Historically, the response rate is lower for small/medium businesses; therefore, a larger mail out is required to meet the level of precision.

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3. The Postal Service's FY 2014 new customer experience surveys do not include customer experience questions related to sending letters or packages. Does the Postal Service have an internal measurement system to assess customers' experiences with sending letters or packages? If so, please describe the internal measurement system.

RESPONSE:

No.

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4. In Docket No. ACR2013, the Postal Service stated it “is developing systems and processes to measure [customer] satisfaction of [problem] resolution with a target of 90 percent and to reduce repeat customer complaints by 50 percent by 2017.”³
- a. Please provide the FY 2014 results for:
 - i. Customer satisfaction of problem resolution
 - ii. Reductions in repeat customer complaints
 - b. Please explain how the results provided in response to question 4.a. were measured in FY 2014. If FY 2014 results are not provided, please explain why.

RESPONSE:

- a.
 - i. 20.7 percent
 - ii. Not measured
- b. Customer satisfaction of problem resolution was measured by customer survey after the complaint case was closed by the Postal Service. The process for repeat customer complaint measurement was under system development in 2014 and, therefore, no data were available for the fiscal year.

³ Docket No. ACR2013, Responses of the United States Postal Service to Questions 1-8 of Chairman's Information Request No. 12, March 14, 2014, question 6 (a-b) (Responses to CHIR No. 12).

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5. The Postal Service states that for FY 2015, the “work hour target is much more representative of the cost-savings opportunities” and that “there are initiatives in place to achieve the FY2015 planned savings.” Annual Report at 41. Please describe these initiatives to achieve the planned savings.

RESPONSE:

The cost reduction savings planned for FY 15 are driven by the following ongoing programs:

Network Rationalization Phase 2 is the second phase of the ongoing effort to right size the mail processing network. This includes the impact of the remaining 82 plant consolidations as well as the operational window changes resulting from the change in First Class overnight service standards.

PostPlan is the continuation of the ongoing effort to match the office hours of approximately 13,000 small post offices to the customer demand for services. These offices will be open either 2, 4, or 6 hours based on workload.

Load Leveling is the continuation of the ongoing effort to balance the heavy load of standard mail volume that historically was delivered on Monday. The new service standards impact only Standard Mail entered at the Destinating Sectional Center Facility. If impacted mail is entered after the 4:00 p.m. Thursday critical entry time cutoff, and prior to the Friday 4:00 p.m. cutoff, it will be delivered on Tuesday instead of Monday. Likewise, if impacted mail is entered after the 4:00 p.m. Friday critical entry

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time cutoff, and prior to the 4:00 p.m. Saturday cutoff, it will be delivered on Wednesday instead of Tuesday.

Voluntary Centralized Delivery is the continuation of the ongoing effort to convert door delivery to a less expensive centralized delivery mode for businesses and residences that volunteer to change, as well as for new delivery point growth.

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6. Please refer to Responses to CHIR No. 10, question 1. Please confirm that the FY 2013 CEM survey sample design allowed for an “adequate sample size with which to estimate performance” for both residential and small/medium business customers “at the District level on a monthly basis.” If confirmed, please specify the minimum precision level for those performance estimates. If not confirmed, please specify at what level of geographic and time period aggregation (e.g., Postal Area, national, quarterly, annual), and at what precision level, the survey performance results could be estimated.

RESPONSE:

Yes, the survey was designed for estimating performance at the District level by Quarter. The level of precision is 95 percent +/- 3 percent at the District level on a quarterly basis.

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7. Please provide the minimum precision level for each of the following FY 2014 customer surveys and specify whether the sample size was adequate to estimate performance at the District level by month or FY quarter.
- a. Point of Sale (POS) Survey
 - b. Residential Delivery Survey
 - c. Small/Medium Business Delivery Survey
 - d. Business Service Network Survey
 - e. Customer Care Center Survey

RESPONSE:

- a. Estimates of precision are appropriate when generalizing a broad population that is randomly sampled; however, the POS Survey is provided to all customers that have transactions at a POS enabled facility. The precision level is 95 percent +/- .01 percent at the National level monthly, and approximately 95 percent +/- 3 percent at the Area level per Quarter.
- b. The precision level is 90 percent +/- 5 percent at the District level for each Quarter.
- c. The precision level is 90 percent +/- five percent at the District level for each Quarter.
- d. Estimates of precision are appropriate when generalizing a broad population that is randomly sampled. The BSN Survey is event-based and negates the need for precision levels. However, utilizing the population that had a transaction, we are able to determine the precision to be 95 percent +/- 3 percent at the Area level annually.

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e. The Customer Care Center Survey has a minimum level of accuracy of 95 percent +/- 3 percent on a monthly basis. The Customer Care Center Survey was designed to provide feedback to improve Care Center performance. Customer Care Centers are organized into a single "Virtual" Care Center that is not related to Area or District geographic boundaries. It was never intended or designed to be more granular than the Care Center level. The sample size obtained on a monthly basis has always attained the minimum accuracy level.

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- 8.** For each customer survey, if any, identified in question 7 that did not have a sample size adequate to estimate performance at the District level by month or FY quarter, please specify at what level of geographic and time period aggregation (e.g., Postal Area, national, quarterly, annual), and at what precision level, the survey performance results can be estimated.

RESPONSE:

Please refer to the response to Question 7, above.

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9. For those targeted survey customers identified above in question 7 for which no District level performance estimate is possible due to insufficient sample size, please indicate whether the Postal Service had another internal performance measurement system at the District level to measure and monitor performance. Please describe such other internal performance measurement system.

RESPONSE:

No such system existed.

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- 10.** For the Delivery Survey results, only two months of survey responses were available with which to measure performance in FY 2014. Does the Postal Service believe that these two months accurately reflect the entire FY 2014 delivery performance results for both residential and small/medium business customers? If not, please discuss what adjustments would be necessary to annualize the survey responses.

RESPONSE:

Yes.

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- 11.** For FY 2013, the Postal Service stated it provided detailed diagnostic reports that identified post offices with opportunities to improve the customer experience.⁴ In FY 2014, did the Postal Service also identify and provide detailed diagnostic reports for all post offices, stations, and branches with opportunities to improve the customer experience?

RESPONSE:

Yes, for FY 2014, the Postal Service did identify and provide detailed diagnostic reports for all post offices, stations, and branches which had POS equipment with opportunities to improve the customer experience.

⁴ Responses to CHIR No. 12, question 6 (a-b).

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- 12.** How does the Postal Service determine whether a post office has the retail machinery necessary to automatically issue a POS survey invitation after a customer transaction?

RESPONSE:

If a Post Office has a POS unit, then the link to the survey is automatically printed on the receipt.

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- 13.** The Postal Service states that in 2015, it will redesign the Voice of the Employee (VOE) survey. Annual Report at 67.
- a. Please explain how the Postal Service intends to redesign the VOE survey.
 - b. Does the Postal Service expect the FY 2015 VOE survey performance indicator results to be comparable to the FY 2014 VOE survey performance indicator results? If not, please explain why.

RESPONSE:

- a. The Postal Service partnered with Gallup, a recognized leader in research and employee engagement. The outcome of this effort is a new survey called The Postal Pulse – a streamlined, simpler survey.
- b. No, the Postal Service does not expect the survey results to be comparable. The Postal Pulse survey questions are very different than the 2014 VOE survey questions.