

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Service Performance Measurement  
Systems For Market Dominant Products

Docket No. PI2015-1

SUPPLEMENTAL OPENING COMMENTS  
OF DOUGLAS F. CARLSON

April 8, 2015

Pursuant to Order No. 2385, I am filing these comments on the Postal Service's proposed new service performance measurement system for single-piece First-Class Mail. These comments supplement my comments filed on April 1, 2015, and address the following topics:

- Additional concerns about last mile scans for post office box mail
- Lobby drops
- Mail that carriers collect on their routes
- Possible solution to the confidentiality problem in the first mile

**I. POST OFFICE BOX MAIL**

As I noted in my comments, the Postal Service has not explained how the last mile scan will occur for mail destined to post office boxes. I assume that a scanner will beep and advise a clerk to scan the mail destined to certain box numbers. In my initial comments, I identified two problems. First, employees could easily locate and scan the requested test letters but not deliver them by the "box up time." Second, 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 proposed measurement system would not capture.

The most common scenario perhaps is a third one. When the scanner beeps, presumably early enough in the morning to alert a clerk for a scan before mail is delivered, the clerk probably will be most likely to locate the mail for which the scanner requests a scan, scan the mail, and then deliver it to the box. The clerk probably will take special care to deliver this mail to the correct box number. This activity will not represent the delivery experience for box customers, and mail, in general because the clerk will be providing a special, early, and perhaps unusually attentive delivery for the test mail. The proposed measurement system will not capture delivery delays for other customers caused when the Postal Service delivers mail after the “box up time,” which is when customers may legitimately expect to receive their mail.<sup>1</sup> The measurement system also will not capture delivery delays caused when a clerk places mail in the wrong box.

This common scenario is, yet again, another example of the flaw in a performance measurement system that identifies to employees which mail is the test mail.

## **II. LOBBY DROPS**

The Postal Service needs to include post office lobby drops in the performance measurement system. Many customers deposit mail in lobby drops, often believing that service is safer or more reliable than in blue collection boxes, even those located outside post offices. The Postal Service, however, does not consider lobby drops to be collection boxes. EXFC droppers do not deposit test mail in lobby drops. Postal Service controls to ensure proper collection of lobby drops may not match the controls in place for blue collection boxes (e.g., scans of CPMS bar codes and management review of the scans to ensure that the boxes were collected after the final posted collection time).

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<sup>1</sup> In addition to missing the “box up time” by a matter of hours, short-staffed post offices sometimes delay delivery of box mail by a full day.

The Postal Service's plan to include lobby drops in the sampling for first mile scans is unclear. The latest version of the plan states, "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)."<sup>2</sup> Lobby drops are not collection boxes or office building mail chutes. The word "accepted" would be an unusual way to describe mail deposited in lobby drops.

The Postal Service's response to Chairman's Information Request No. 2 confuses the matter further. The response provides "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".<sup>3</sup> In which category do lobby drops fall, and how do these categories relate to the three categories stated in the Postal Service's performance measurement plan?

In short, the Postal Service needs to include lobby drops in its measurement system. The current description of the plan is vague on this point.

### **III. MAIL THAT CARRIERS COLLECT ON THEIR ROUTES**

The Postal Service revealed that customers' most common method of inducing single-piece First-Class Mail is to leave it for their carrier.<sup>4</sup>

The Postal Service's response to Chairman's Information Request No. 2 makes excuses for not including carrier-collected mail in the first mile calculation, but in reality, an objective performance measurement system within the meaning of 39 U.S.C. § 3691(b)(1)(D) must measure service performance for the most common method of induction. The EXFC system does not test carrier-collected

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<sup>2</sup> United States Postal Service Service Performance Measurement ("Measurement"), filed March 24, 2015, at 24.

<sup>3</sup> Response of the United States Postal Service to Chairman's Information Request No. 2, Question 1, filed April 2, 2015.

mail, and the knowledge that EXFC excludes 38 percent of the collection mail stream raises questions about the adequacy of the EXFC system as well.

Most customers expect that mail that they leave for their carrier will be postmarked and processed on the day of collection. However, the Postal Service has no published service commitment for mail that customers leave for their carrier, and Postal Service policies to meet this customer expectation are unclear. The Postal Service needs to clarify this aspect of its service standards.

The Postal Service also suggests that “scans at collection points and retail facilities serve as reasonable proxies for the mail left at customer mail receptacles.”<sup>5</sup> In fact, they do not. The most obvious possible point of failure is if the carrier does not return to the post office from his/her route before the final dispatch truck departs. Just last Saturday, I observed a carrier delivering mail to homes after the scheduled departure time of the final dispatch truck from the carrier’s post office. What happened to this carrier’s collection mail? I am uncertain to which extent the Postal Service makes a special effort to transport mail to the processing plant when a carrier returns from his/her route after the final dispatch truck has departed. Currently, the Postal Service knows that this mail does not contain EXFC test mail. Under the proposed new system, postal managers also will know that this mail does not contain test mail. I do not believe that mail from late-arriving carriers receives the same expedited handling to transport it to the processing plant as late-arriving mail from collection boxes. The proposed measurement system will ignore the carrier pickup mail stream and allow the weaknesses that lie therein to persist unmeasured.

The Postal Service also apparently tolerates this type of service failure by design. In Bishop, California, the dispatch truck departs before the carriers return from their routes. A newspaper recently reported that the Postal Service

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<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

plans to change the final collection time at the city-delivery post office in Grand Rapids, Minnesota, from 5 PM to 12:15 PM.<sup>6</sup> According to the article, mail that carriers collect on their routes will be dispatched on the following day, which could be Monday for mail collected on Saturday or Tuesday for mail collected on Saturday before a Monday holiday. The Postal Service is implementing this drastic reduction in service because it is consolidating outgoing mail processing operations from Duluth to St. Paul, and it is changing collection times even though the agency promised that the elimination of overnight service standards and the consolidation of mail processing plants would not affect collection times.<sup>7</sup> Similar examples of carriers returning to the post office after the dispatch truck has departed likely abound in rural areas.

Scans at collection boxes and retail facilities are not a reasonable proxy for the carrier pickup mail stream because the collection box process is a controlled environment. Employees collect mail from boxes and scan a CPMS bar code to confirm that they collected the box. Collection runs are designed to meet dispatches from the post office. In contrast, carrier pickup has no such controls. And we know the customer experience when a collection stream has minimal controls. When the EXFC system was implemented in the early 1990s, postal managers discovered the problem that many customers had already known for years: Missed collections were a rampant service problem, giving rise to the term “zero bundle” once the Postal Service implemented EXFC. The Postal Service addressed this problem by implementing the Collection Box Management System and its successor, CPMS, to ensure that an employee scanned each collection box after the posted collection time.

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<sup>6</sup> “Local post office collection times to be earlier, April 18,” *Grand Rapids Herald Review*, April 4, 2015.

<sup>7</sup> See Docket No. N2012-1, Response to NPMHU/USPS-T1-2, filed January 25, 2012 and the Area Mail Processing study for Duluth (<http://about.usps.com/streamlining-operations/duluth-final-redacted.pdf> at PDF page 5).

An objective performance measurement system must measure the time required for the first mile for carrier pickup, the most common induction method for First-Class Mail. I recognize that measuring the first mile for this mail does not fit well into the Postal Service's current design of the measurement system. Perhaps one solution would be for the system to prompt carriers every hour to scan collection mail from their routes to measure the first mile time.

#### **IV. POSSIBLE SOLUTION TO CONFIDENTIALITY ISSUE FOR FIRST MILE**

As I have explained in my comments, the ability of employees, including supervisors and managers, to distinguish between test mail and non-test mail is a major flaw in the design of the new performance measurement system. Perhaps one solution for the first mile would be to scan a greater proportion of the collection mail than the Postal Service currently proposes. Carriers could frequently scan the mail that they collect from homes and businesses, and employees collecting mail from collection boxes could scan letters frequently — perhaps at every collection box. The performance measurement system would not necessarily need to use all these scans for its calculations. The main goal would be for the system to require so many scans, in volume and frequency, that employees, including supervisors and managers, would need to assume that test mail could be in all the containers of collection mail on hand. Nobody would know that some of the scans were “dummy” scans. Although collection employees still could intentionally separate the test mail after scanning it, in most cases, the scanned mail would be mixed with the rest of the mail, and employees, including downstream supervisors and managers, would need to assume that test mail was in all containers. Similarly, supervisors and managers would assume that mail from late-arriving carriers contained test mail. These changes would restore some of the objectivity that the current EXFC system provides.

Respectfully submitted,

Dated: April 8, 2015

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