

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. 3

(Issued May 1, 2015)

To clarify the proposals presented by the Postal Service in its Docket No. PI2015-1 Service Performance Measurement plan, the Postal Service is requested to provide a written response to the following questions.¹ Answers to the questions should be provided as soon as they are developed, but no later than May 8, 2015.

1. Please refer to the Postal Service Plan at pages 59 and 60, which shows the Future State decision process/tree (flow diagram) for the First Mile Impact. Assume the following:
 - On a Monday (non-holiday), a carrier arrives to collect mailpieces at a residential (blue) collection box with a last posted Collection Time of 5:00 p.m.
 - The residential collection box contains only single-piece First-Class Mail letters.
 - Based upon density studies, the average density for the residential collection box is 200 mailpieces.
 - The barcodes of 3 randomly selected mailpiece barcodes are scanned.
 - The first processing scan event (if it is to occur at all) is typically complete by 10:00 p.m. on Monday for that day's mail.

¹ The United States Postal Service, Service Performance Measurement, Revised March 24, 2015 plan filed March 24, 2015 is referred to as the "Postal Service Plan" throughout this information request.

For each scenario included in the table below, please calculate the Composite First-Leg, Composite Second-Leg, and First Mile Impact (provided in an Excel file). Identify all figures used, and provide the sources for such figures. Where necessary, include additional assumptions or corrections to the provided assumptions, any data necessary to complete the calculations, and an explanation of such assumptions and data.

First Mile Impact	Time carrier scans CPMS barcode (Composite—First-Leg)			
	No Scan	3:00 p.m. Monday (early scan)	5:01 p.m. Monday (on time scan)	7:00 p.m. Monday (late scan)
Time of first processing scan (Composite—Second-Leg)				
3 pieces at 9:00 p.m.	Composite First-Leg	(same)	(same)	(same)
	Composite Second-Leg			
	First Mile Impact			
3 pieces at 11:00 p.m.	(same)	(same)	(same)	(same)
3 pieces at 9:00 p.m. next night (Tuesday)	(same)	(same)	(same)	(same)
No pieces ever scanned	(same)	(same)	(same)	(same)
1 piece scanned at 9:00 p.m., 1 piece scanned at 11:00 p.m., 1 piece scanned at 9:00 p.m. next night (Tuesday)	(same)	(same)	(same)	(same)
1 piece scanned at 9:00 p.m., 1 piece scanned at 11:00 p.m., 1 piece never scanned	(same)	(same)	(same)	(same)

2. Please refer to the Postal Service Plan at page 73, which discusses the Future State “Stop-the-Clock” for the Last Mile Impact. Please provide a Current and Future State decision process/tree (flow diagram) for the Last Mile Impact that is similar in form to the flow diagram for the First Mile Impact depicted on pages 59 and 60.
3. The following questions concern the Last Mile Impact for single-piece First-Class Mail letters. Refer to the Postal Service Plan at page 18, where it states that the “Last Mile Impact will be calculated based on randomly-selected delivery point scan information.” Assume the following facts for each scenario below:
 - On Friday (non-holiday), a carrier servicing a residential route delivers only one single-piece First-Class Mail letter to each of the 200 delivery points (mail receptacles) on the route.

Please calculate the Last Mile Impact, and provide a Stop-the-Clock date/time for all mailpieces (provided in an Excel file). Identify all figures used, and provide the sources for such figures. Where necessary, include additional assumptions or corrections to the provided assumptions, any data necessary to complete the calculations, and an explanation of such assumptions and data.

- a. Scenario 1: The carrier delivers the single-piece First-Class Mail letter to each mail receptacle and scans the mailpiece barcode at the randomly selected delivery points on the route.
 - b. Scenario 2: The carrier delivers the single-piece First-Class Mail letter to each mail receptacle and does NOT scan the mailpiece barcode at the randomly selected delivery points on the route.
4. The purpose of the following questions is to obtain information on Postal Service plans for auditing the proposed service performance measurement system. These questions should be answered from the perspective of ensuring data quality, and the calculation of accurate service performance scores. They should

also be answered from the perspective of ensuring the service performance measurement system is not subject to intentional or unintentional manipulation.

- a. Please describe the Postal Service's plans for auditing the service performance measurement system.
 - b. Please provide a copy of any written plans. If a written plan is not available, please provide a date when the plan will become available (and provide the Commission with a copy of the plan when it is available). If there is no intent to produce a written plan, please explain why a written plan is not necessary.
 - c. Please identify the organization(s) that will be responsible for auditing the service performance measurement system, and whether such organization(s) will be external or internal to the Postal Service.
5. In Docket No. ACR2014, Library Reference USPS-FY14-14, folder "RPW by Shape and Indicia", file 'First Class and Standard Mail WGTI.xlsx', worksheet 'FCM by Indicia', the Postal Service provides the breakdown for single-piece First-Class Mail by Indicia.
- a. Please confirm that the scanning device will be unable to scan all stamped letters, cards and flats (such as unbarcoded mail) and, therefore, these mailpieces will be excluded from the First Mile Impact service performance measurement. If not confirmed, please explain.
 - b. Please confirm that mail with IBI barcodes contain all the information required for service performance measurement. If not confirmed, please explain.
 - c. Please describe the types of mailers that send single-piece First-Class Mail displaying the IBI barcode. Please indicate the percentage of mail with the IBI barcodes originated by business, government or private mailers, and provide the numbers separately by shape.

- d. For First-Class Mail single-piece letters, cards and flats, please indicate if any metered mail, mail with permit imprint or PVI label have a scannable barcode that would provide all the information required for the First Mile Impact service performance measurement.
 - e. Please indicate what type of mail is included in the indicia category "other." Please indicate if any of this mail will be subject to service performance measurement.
6. In Responses to CHIR No. 1, question 16, the Postal Service indicates that mailpieces with ancillary service barcodes (Certified Mail, Registered Mail, etc.) that enter the mailstream at retail counters will be included in the First Mile Impact. In Responses to CHIR No. 2, question 1, the Postal Service states that 29 percent of single-piece First-Class Mail is induced into mailstream "from customers across the window or dock."
- a. Please confirm that in the above-referenced responses, "retail counter" has the same meaning as "window or dock." If not confirmed, please explain the difference.
 - b. Please indicate what percentage of mail accepted from customers across the window or dock contains the barcodes with the information required for service performance measurement.
7. In Responses to CHIR No. 2, question 1, the Postal Service states that 38 percent of single-piece First-Class Mail induced into the mailstream is "from carriers accepting mail from customers." In the same source, the Postal Service indicates that "[t]he proposed First Mile design does not include carrier scanning at the customer mail receptacle."
- a. Please confirm that mail from the customer mail receptacles constitute 38 percent of single-piece First-Class Mail. If not confirmed, please explain the difference between the mail "from carriers accepting mail from

customers” and the mail that carriers collect “at the customer mail receptacles.”

- b. Please confirm that the statement “[t]he proposed First Mile design does not include carrier scanning at the customer mail receptacle” means that currently carriers do not perform scanning at the customer mail receptacle. If not confirmed, please explain when carriers scan mail at the customer mail receptacle. If confirmed, please explain why carriers do not (and will not) scan mail at the customer mail receptacles.
- c. For single-piece First-Class Mail “from carriers accepting mail from customers,” please provide the breakdown by indicia and shape (in accordance with the classification provided in Docket No. ACR2014, Library Reference USPS-FY14-14, FCM by Indicia).
- d. Please indicate if the Postal Service has initiated (or is planning to initiate) any study to compare service performance of mailpieces that carriers accept from customers with service performance of other mail.

By the Acting Chairman.

Robert G. Taub