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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 THROUGH 4
OF CHAIRMAN'S INFORMATION REQUEST NO. 3
(May 14, 2015)

The United States Postal Service hereby files its responses to Questions 1 through 4 of Chairman's Information Request No. 3 (May 1, 2015). The questions are stated verbatim and followed by the responses.

Respectfully submitted,

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May 14, 2015

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 3

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.

   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)**			
Time of first processing scan (Composite—Second-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)
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)

RESPONSE

The Postal Service cannot provide a response to this question until the statistical model expected to be presented to the Commission in June is complete. This Question seeks calculation of the First Mile impact based on less than a handful of mail pieces. The proposed measurement system is being designed to calculate a statistically valid quarterly First Mile impact for an entire 3-digit ZIP Code area based on numerous random scans in that service area over the course of the quarter -- as opposed to the random scans performed on less than a handful of pieces retrieved from a single collection box on one day. Suffice it to say that in a "No pieces ever scanned" scenario, there are no data with which to calculate a First Mile impact.

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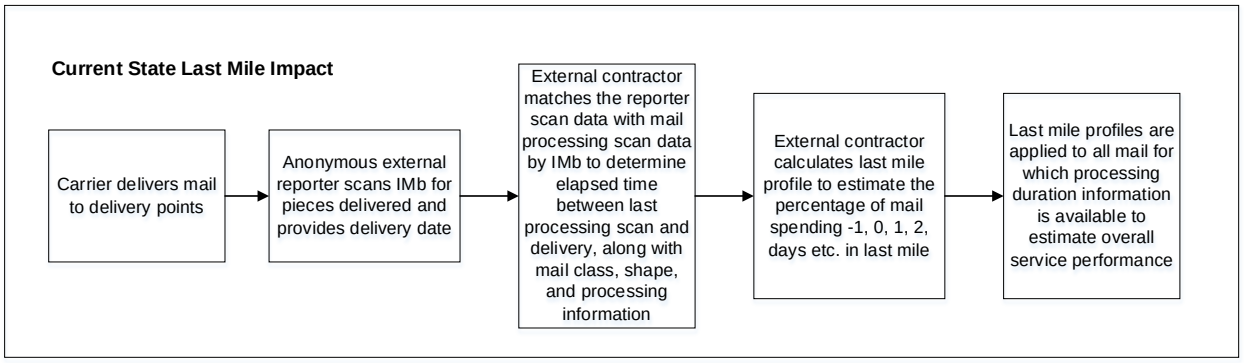
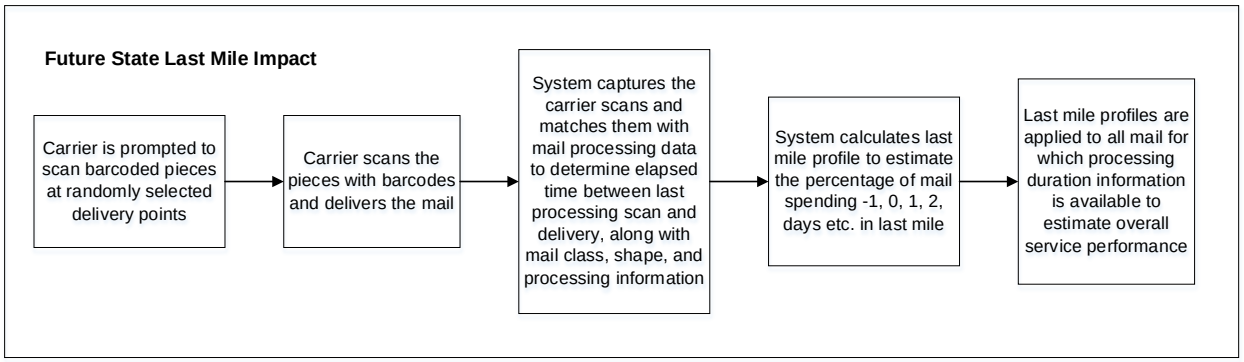
2. Please refer to the Postal Service Plan at page 73, which discusses the Future State "Stop-the-Clock" for the Last Mile Impact. Please provide a Current and Future State decision process/tree (flow diagram) for the Last Mile Impact that is similar in form to the flow diagram for the First Mile Impact depicted on pages 59 and 60.

RESPONSE

Below are the current and future state flow diagrams for Last Mile Impact.





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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.

RESPONSE

(a-b) The Postal Service cannot provide a response to this question until the statistical model expected to be presented to the Commission in June is complete. Similar to Question 1, this Question seeks calculation of the Last Mile impact based on less than a handful of mail pieces. The proposed measurement system is being designed to calculate a statistically valid quarterly Last Mile impact for an entire 3-digit ZIP Code area based on numerous random delivery scans in that service area over the course of the quarter -- as opposed to the random scans performed on one carrier route on one

day. Suffice it to say that if, as in Scenario 2, no scanning ever takes place, there are no data with which to calculate a Last Mile impact.

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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.

RESPONSE

(a-c) USPS HQ Enterprise Analytics will be responsible for overseeing the audit of the internal service performance measurement system. A third-party contractor (external to the Postal Service) is currently responsible for development and implementation of the audit plan. The Postal Service will be able to provide a more responsive answer after the audit plan is completed in July 2015.