

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

SERVICE PERFORMANCE MEASUREMENT
SYSTEMS FOR MARKET-DOMINANT PRODUCTS

Docket No. PI2015-1

REPLY COMMENTS OF THE UNITED STATES POSTAL SERVICE

(May 18, 2015)

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The United States Postal Service hereby submits its reply to various comments filed by parties in response to Postal Regulatory Commission Order No. 2385.

OVERVIEW

Section 301 of the Postal Accountability and Enhancement Act (PAEA),¹ directs the Postal Service, after consultation with the Postal Regulatory Commission (Commission), to establish by regulation a set of modern service standards for its market dominant products.² By statute, achievement of the service standards for each market dominant product must be measured by an objective external performance measurement system, unless the Commission approves the use of an internal system.³ The purpose of this docket is for the Commission to review the Postal Service's plans for the internal generation of service performance data and to specify the conditions under which the measurement methods proposed by the Postal Service can be utilized to report service performance.

On October 17, 2014, the Postal Service began consultations with the Commission's technical staff regarding a proposal to replace certain external components of its existing product service performance measurement system with internal components for various market-dominant products. On January 29, 2015, the Commission issued Order No. 2336 to initiate the instant docket and solicit comment on the Postal Service's proposed internal service performance measurement system.⁴

¹ Pub. L. 109-435, 120 Stat. 3198 *et seq.* (December 20, 2006).

² Section 301 of the PAEA is codified at 39 U.S.C. § 3691.

³ 39 U.S.C. § 3691(b)(1)(D) and (b)(2).

⁴ Order No. 2336, Notice of Request for Comments and Scheduling of Technical Conference Concerning Service Performance Measurement Systems for Market Dominant Products, Docket No. PI2015-1 (January 29, 2015), at 2.

When initiating Docket No. PI2015-1, the Commission included a copy of the Postal Service's Service Performance Measurement (SPM) plan as Library Reference PRC-LR-PI2015-1/1.⁵ In Order No. 2336, the Commission informed interested parties that a technical conference would be held and that parties would have an opportunity to submit comments regarding the proposed SPM plan. In Order No. 2385, due to inclement weather, the Commission rescheduled the technical conference from March 5, 2015, to March 18, 2015.⁶ Also in Order No. 2385, the Commission adjusted the submission date by which interested parties were required to file their initial comments from March 26, 2015 to April 8, 2015.⁷

During the Postal Service's consultation with the Commission, at the technical conference, and in its response to Chairman's Information Request No. 1, the Postal Service made clear that it is working with a third-party to develop a statistical model and sampling methodology. This model is currently under development and the Postal Service expects to make it available to the Commission for examination in June.⁸

By April 8, 2015, the Commission received eight comments in response to Order No. 2336. The Commission received comments from the National Newspaper Association;⁹ Douglas F. Carlson;¹⁰ the Greeting Card Association;¹¹ David B. Popkin;¹²

⁵ Notice of Filing Library Reference PRC-LR-PI2015-1/1, Docket No. PI2015-1 (January 29, 2015).

⁶ Order No. 2385, Notice and Order Rescheduling Technical Conference and Comment Due Dates, Docket No. PI2015-1 (March 9, 2015).

⁷ *Id.*

⁸ USPS Response to Chairman Information Request No. 1, Question 10, Docket No. PI2015-1 (March 31, 2015).

⁹ Comments of National Newspaper Association (NNA Comments), Docket No. PI2015-1 (March 26, 2015).

the American Postal Workers Union;¹³ joint comments from the Association for Postal Commerce, IDEAlliance, and National Association of Presort Mailers;¹⁴ and the Public Representative.¹⁵ On May 5, 2015, Reply Comments were filed by the National Postal Policy Council¹⁶ and the Public Representative,¹⁷ followed by Reply Comments from Mr. Carlson filed on May 15, 2015.¹⁸ These initial and reply comments reflect the views and concerns of a broad spectrum of mailers, postal customers, and other interested parties.

The Postal Service has reviewed those comments and deliberated about them. As will be evident below, some comments have resulted in clarifications to the description of the proposed measurement system or prompted a change in the Postal Service's original plan for transitioning to the new system. Otherwise, some of the criticism appears to be based on various misunderstandings of how the new system is intended to operate, which are addressed below. Some of the comments are clearly

¹⁰ Opening Comments of Douglas F. Carlson (Carlson Opening Comments), Docket No. PI2015-1 (April 1, 2015); and Supplemental Opening Comments of Douglas F. Carlson (Carlson Supplemental Comments), Docket No. PI2015-1 (April 8, 2015).

¹¹ Initial Comments of the Greeting Card Association (GCA Comments), Docket No. PI2015-1 (April 8, 2015).

¹² Comments David B. Popkin (Popkin Comments), Docket No. PI2015-1 (April 8, 2015).

¹³ Initial Comments of American Postal Workers Union, AFL-CIO (APWU Comments), Docket No. PI2015-1 (April 8, 2015).

¹⁴ Comments of the Association for Postal Commerce, IDEAlliance, and National Association of Presort Mailers (PostCom *et al.* Comments), Docket No. PI2015-1 (April 8, 2015).

¹⁵ Public Representative Comments Concerning Service Performance Measurement Systems for Market Dominant Products (PR Comments), Docket No. PI2015-1 (April 8, 2015).

¹⁶ Reply Comments of the National Postal Policy Council (NPPC Reply Comments), Docket No. PI2015-1 (May 5, 2015).

¹⁷ Public Representative Reply Comments (PR Reply Comments), Docket No. PI2015-1 (May 5, 2015).

¹⁸ Reply Comments of Douglas F. Carlson (Carlson Reply Comments), Docket Bo. PI2015-1 (May 15, 2015).

intend to be constructive and have been the object of considerable internal review, even if the parties' suggestions have not been adopted.

Some criticism is based on anecdotal recollections about time-in-transit for mail from decades ago and weakness in data collection methods that not only pre-date the current External First-Class (EXFC) measurement system, but also are not a part of the proposed measurement system.¹⁹ Some of the criticism of the proposed service measurement plan is based on a misunderstanding of postal operating policies and procedures. Still, some of the criticism is based on a mischaracterization of unambiguously clear postal testimony.²⁰ Where it can, the Postal Service has offered illumination below. In some cases, the comments reflect a strong distrust of local postal managers,²¹ whose dedication to the goals of maintaining and improving service under tight fiscal constraints and operational flux is ignored in favor of a preference for disparaging accusations alleging manipulation of service scores to increase pay bonuses. Otherwise, as will be reflected below, there remains respectful disagreement between the Postal Service and some commenters regarding whether a very good measurement system proposal is sufficiently good enough to accomplish the purposes of 39 U.S.C. § 3691(b)(2) moving forward.

¹⁹ Popkin Comments at 2-3.

²⁰ For example, in Docket No. N2012-1, the January 25, 2012 Postal Service response to interrogatory NPMHU/USPS-T1, indicates that the Postal Service “did not anticipate widespread changes” to collection box final pickup times in conjunction with network rationalization service standard and operational changes. Nevertheless, one commenter cites this response as evidence that the Postal Service “promised that the elimination of overnight service standards and the consolidation of mail processing plants would not affect collection times.” Carlson Supplemental Comments at 5.

²¹ Carlson Opening Comments at 4-6; and Carlson Reply Comments at 3.

REPLY COMMENTS

I. **The Proposed Service Measurement Plan is Designed to Produce Reliable Data that Reasonably Reflect Market-Dominant Product Service Performance.**

A. **Overview of the Current System.**

Section 3691(b) grants the Postal Service broad discretion in the establishment of its market-dominant product service measurement system. Any component of the measurement system can be either “external” or “internal” in nature,²² subject to the condition that any internal system component be reviewed and approved by the Commission.²³ The current system operates as an amalgam of measurement tools and methods. For example, the measurement system is “hybrid” in nature for Presort First-Class Mail, Non-Saturation Standard Mail, Periodicals, and Bound Printed Matter Flats, combining internally derived mail acceptance and processing data with delivery information generated externally by anonymous mail recipients acting at the direction of a third party. All of the pertinent information is collected internally by postal data systems for Saturation Standard Mail and various Special Services products. For Single-Piece First-Class Mail, all of the data that form the basis for estimating service performance currently are generated externally.

B. **Summary of Proposed Measurement System Changes.**

There are two significant changes to the current measurement system being proposed. The first involves a shift from external to internal data collection to generate

²² The Commission defines “internal” service performance measurement systems as systems that are under the direct control of the Postal Service. PRC Order No. 2336, Docket No. PI2015-1 (January 29, 2015) at n1. The Commission defines “external” systems as systems that are under the direct control of an independent third party. *Id.*

²³ See 39 U.S.C. § 3691(b)(1)(D).

estimates of service performance for Single-Piece First-Class Mail. The second change will result in the generation of Last Mile delivery information internally for Presort products through the scanning of mail by postal delivery personnel in place of the current method of relying on externally-generated reports of mailpiece delivery.

The Postal Service employs an independent third-party contractor to operate EXFC for Single-Piece First-Class Mail. The contractor hires anonymous droppers and a test mail kit preparer to generate test mailpieces and deposit them in blue First-Class Mail collections boxes and office building mail chutes before applicable daily Critical Entry Times. The test pieces become intermingled with mail deposited in collection boxes and office building mail chutes by other postal customers for pickup by postal personnel on their appointed rounds. Droppers transmit mail entry information to the contractor. Test pieces are not readily identifiable and are presumed to be dispatched, processed and delivered in the same manner as other Single-Piece First-Class Mail pieces with the same origin-destination patterns.

The test pieces are addressed and delivered to the street or Post Office Box addresses of reporters employed by the contractor. Reporters are instructed to record the date on which test pieces were received and transmit that information to the contractor. Currently, approximately 1,200 droppers and 14,000 reporters generate data based on 580,000 test mailpieces per fiscal quarter. Matching droppers' dates of entry and reporters' dates of delivery, the contractor generates estimates of service performance to or from designated postal administrative service areas.

The Postal Service intends to leverage upcoming advancements in internal scanning technology to replace EXFC with a new measurement system that will gather

data on Single-Piece First-Class Mail during three stages from acceptance to delivery: First Mile, Processing Duration, and Last Mile.²⁴ Under this new system, the Postal Service will be able to draw from data generated by routine scanning of automation-compatible mailpieces during the automated mail processing (Processing Duration), and the Postal Service intends to scan a representative sample of barcoded pieces to measure the First Mile and Last Mile. Data from each stage will be combined to estimate performance in relation to applicable service standards. The Postal Service will employ a statistical model that, as part of the new measurement system, will randomly identify on a daily basis which of the more than 150,000 First-Class Mail collection boxes and office building mail chutes, over 30,000 postal retail units,²⁵ and more than 130 million delivery points at which postal personnel will scan mailpiece barcodes to capture data for calculating the local First Mile and Last Mile components of Single-Piece First-Class Mail service performance.²⁶

The Postal Service intends for the new system to incorporate a significantly larger and more representative population of mailpieces in measurement than EXFC does today. Because the Processing Duration segment of the new system will use data generated from the routine scanning of virtually all automation-compatible Single-Piece First-Class Mail letters and flats by mail processing equipment throughout the postal

²⁴ For definitions of the terms First Mile, Processing Duration and Last Mile, please refer to the USPS Service Performance Measurement Plan (SPM plan) (as revised March 24, 2015) at 18.

²⁵ The system will randomly identify the postal retail lobby chutes at which sample Single-Piece First-Class Mail pieces will be scanned when mail deposited in the chute is collected before dispatch to the plant. As an additional source of data, the system will draw upon the daily acceptance scans for accountable Single-Piece First-Class Mail with Certified and other Special Services at all postal retail lobby counters or windows.

²⁶ The Postal Service expects to submit the statistical model design to Commission review in June 2015. See USPS Response to ChIR No. 1, Question 10 (March 31, 2015).

network, it will provide data representative of the entire pool of the Single-Piece First-Class Mail stream. Relative to the current EXFC dropper and reporter model, the new system is designed to include significantly more entry and delivery points in First Mile and Last Mile measurement, as it will be based on random sampling of Single-Piece First-Class Mail from virtually every 5-digit ZIP Code in which blue collection boxes and postal retail units are located, and in which mail is delivered. The system is being designed to give at least as reliable an estimate of service provided to Single-Piece First-Class Mail as EXFC provides today.

At page 3 of his Reply Comments, Mr. Carlson argues that the “[t]he Commission should not allow the Postal Service to replace EXFC with an . . . [internal] measurement system.” There, he goes so far as to advocate that service performance measurement be administered by the Commission. The Postal Service submits that section 3691(b) permits the Commission to establish reasonable conditions for the implementation of an internal measurement system. However, that section does not permit the Commission to arbitrarily reject a measurement system for being internal in nature, rather than external. Nor does it require that an external measurement system be utilized for any particular mail class or product. Otherwise, the Postal Service declines Mr. Carlson’s invitation to debate the merits of a Congressional transfer to the Commission of any portion of the responsibility for administering the national postal system.

Presently, for a variety of other products, such as Presort First-Class Mail, Non-Saturation Standard Mail, Periodicals, and Bound Printed Matter Flats, service performance is measured on the basis of a hybrid method that combines internal mail processing equipment barcode scans to determine Processing Duration with externally-

generated Last Mile delivery information provided by anonymous mailpiece recipients/reporters acting under the direction of a contractor. The Postal Service plans to replace the externally-generated delivery reports with a Last Mile factor developed internally on the basis of mailpiece scans obtained by postal personnel engaged in delivery. When this Last Mile calculation method is approved for implementation, measurement systems that are currently hybrid in nature will become internal, within the meaning of section 3691(b)(1)(D).

C. The Postal Service Will Submit Parallel Performance Scores from the Current and the Proposed Measurement Systems for Six Months.

Two commenters recommend that the Postal Service run the proposed SPM plan in parallel with the existing measurement systems to ensure that the proposed measurement system generates service performance data of similar quality as the current system.²⁷ The Postal Service acknowledges that the proposed SPM plan will significantly change how it measures service performance for certain market-dominant products. The Postal Service expects to have the new system operational for beta testing during the final quarter of fiscal year 2015 on the assumption that it could be approved for implementation at the beginning of fiscal year 2016. The Postal Service sees value in operating both systems simultaneously for a reasonable duration in fiscal year 2016 and takes this opportunity to commit to operating and reporting the performance data generated from both systems during the first two quarters of that fiscal year.

²⁷ PostCom *et al.* Comments at 2; and Popkin Comments at 6.

D. The New System Will Substantially Expand the Universe of Single-Piece First-Class Mail Subject to Measurement.

As it pertains to Single-Piece First-Class Mail, the proposed Service Performance Measurement plan will include not only collection mail currently measured by EXFC, but will expand to also measure mailpieces tendered at postal retail counters and postal lobby chutes. Nevertheless, several commenters criticize the proposed measurement system for Single-Piece First-Class Mail because it is not designed to also sample outgoing mail left in residential mail receptacles for carrier pickup.²⁸ It appears that commenters in scrutinizing the proposed measurement system, seek to make perfect the enemy of good.

1. Stamped First-Class Mail Will Be Included in Measurement.

The Greeting Card Association (GCA) expresses concern at pages 4 and 5 of its comments that the proposed measurement plan excludes stamped Single-Piece First-Class Mail from measurement and questions the validity of a measurement system which would exclude such a large portion of the Single-Piece First-Class Mail stream. The same concern is belatedly echoed at page 2 in the Reply Comments of the Public Representative. Both parties overlook an obvious fact. Stamped mail includes Single-Piece First-Class Mail courtesy reply envelopes, the overwhelming majority of which bear postage stamps. Accordingly, stamped mail is not excluded from First Mile scanning and measurement under the new plan. It is correct to surmise that stamped greeting cards dropped in collection boxes generally enter the mailstream unbarcoded and, thus, will not be scanned for purposes of First Mile data collection. However,

²⁸ Carlson Supplemental Comments at 3-6; Greeting Card Association Comments at 1-4.

postal mail processing equipment is designed to barcode such mail at the earliest opportunity, allowing for much of it to commingle with pre-barcoded Single-Piece First-Class Mail, permit imprint mail, and metered mail experience virtually identical processing and delivery times. Processing Duration data will result from mailpiece scans generated by processing on automated equipment. Many such pieces will be stamped letters and flats (bearing handwritten or machine-printed addresses) to which the Postal Service will have applied delivery barcodes. Thus, GCA and the Public Representative are correct only insofar as they assert that *some* stamped pieces will not be included in First Mile measurement.

Moreover, there is no material difference in the dispatch of stamped barcoded pieces from cancellation to the next automation scan and stamped unbarcoded pieces from cancellation to the next mail processing operation step because the Postal Service has printed barcodes on previously unbarcoded mailpieces during the cancellation operation. Accordingly, it is reasonable to impute the First Mile results for barcoded stamped Single-Piece First-Class Mail to unbarcoded stamped pieces.

2. Single-Piece First-Class Mail Accepted at Lobby Chutes and Postal Retail Windows Will Be Included in Measurement.

At page 2 of his Supplemental Comments, Mr. Carlson advocates that the new measurement plan needs to include the collection of data for Single-Piece First-Class Mail deposited in Post Office lobby chutes. He characterizes these chutes as subject to a belief by many customers that they are safer and more reliable than blue collection boxes.²⁹ Those beliefs aside, the Postal Service considers that random sampling of

²⁹ Carlson Supplemental Comments at 3-6.

Single-Piece First-Class Mail deposited in its retail lobby chutes is a feasible source of additional data collection and will incorporate such data collection into its plan.

In his Supplemental Comments, Mr. Carlson indicates that the March 24, 2015 clarification of page 24 of the proposed SPM plan failed to achieve a universal understanding of the Postal Service's intent to include sampling of Single-Piece First-Class Mail accepted at postal retail windows.³⁰ To be clear, as indicated above in footnote 25, the scan data from Single-Piece First-Class Mail accepted at postal retail counters will be generated during the course of the acceptance of mail with Certified and other Special Services. The Postal Service considers this combination of collection data from mailpieces accepted at retail counters and mailpieces deposited into retail lobby chutes to offer a fair representation of Single-Piece First-Class Mail brought to its retail facilities.

E. Inclusion of Single-Piece First-Class Mail Left for Carrier Pickup in Measurement is Not Yet Feasible.

As explained in the Postal Service's response to Question 1 of Chairman's Information Request No. 2, there are significant challenges to the feasibility of expanding the new measurement system to include Single-Piece First-Class Mail left for carrier pickup. As noted at page 3 of the Mr. Carlson's Supplemental Comments, EXFC does not include mail left for pickup by carriers. Nevertheless, EXFC has been accepted as a reasonable measure of overall Single-Piece First-Class Mail service performance for more than 20 years. Given the acceptance of collection box mail as a reasonable representation of Single-Piece First-Class Mail generally under EXFC, the

³⁰ *Id.* at 3.

Postal Service does not agree with the suggestion at page 4 of the comments of GCA that the proposed replacement system should be subject to a special study to verify the reasonableness of continued reliance on collection mail as an approximation for Single-Piece First-Class Mail generally. This suggestion, and the criticism underlying it, all but ignore the fact that the new measurement system significantly expands the universe of measured mail by including data from pieces accepted at postal retail counters.

A recent postal study indicates that 33 percent of Single-Piece First-Class Mail is inducted through collection boxes and an additional 29 percent is accepted at postal retail windows and docks.³¹ By including the retail component, the plan for First Mile data collection expands the proportion of the Single-Piece First-Class Mail universe represented in measurement from 33 percent (under EXFC) to 62 percent.³² While short of the perfection demanded by some commenters, this represents a substantial leap forward when compared to EXFC.

F. Critics Overstate the Difference Between Mail Left for Carrier Pickup and Collection Mail.

Notwithstanding this improvement, several commenters argue that material differences between processing of mail left for carrier pickup and collection box mail make the latter a poor proxy for the former. Putting aside measurement feasibility concerns, GCA and Mr. Carlson argue that mail from blue collection boxes and mail left for carrier pickup enter the mailstream by different methods and that difference should be subject to measurement.³³ However, there is no basis for concluding that there are

³¹ Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 2, Docket No. PI2015-1, (April 2, 2015).

³² *Id.*

³³ GCA Comments at 1-4, Carlson Supplemental Comments at 3-6.

any general or material differences in the dispatch, processing and delivery of such mail.

Both the Greeting Card Association and Mr. Carlson observe that the failure to have a standard collection time for mail picked up at customer receptacles means that this mail may meet the first processing operation on a different schedule than collection box mail.³⁴ However, the fact that Single-Piece First-Class Mail from different sources may arrive at cancellation or the first processing operation at the same plant at different times during a processing window does not necessarily mean that they do not complete that next processing step in a similar or timely manner. Outgoing mail processing operations for Single-Piece First-Class Mail are conducted over a range of hours each processing day, offering a substantial window of opportunity to accommodate the later-than-normal same-day arrival of mail from disparate sources, including mail arriving at the plant from carrier collections from the farthest corner of a plant's service area or mail that missed the last scheduled dispatch of value from its origin office.

At page 4 of his comments, Mr. Popkin concedes that expanding Single-Piece First-Class Mail service measurement to include pieces left for carrier pickup is not without complication. However, his support for the Postal Service's position seems to be based on a misunderstanding of postal delivery policy. He appears to be concerned that, if mail receptacles were identified for data collection on outgoing pieces, such data collection would be skipped if no mail also was being delivered to those same receptacles on the date they were designated for outgoing mail data collection. He

³⁴ GCA Comments at 3; Carlson Supplemental Comments at 4-5.

worries that “the carrier will not collect from a house delivery, as opposed to a curbside delivery, if there is no mail to be delivered to the customer that day.”³⁵

Assuming it was feasible to collect data from such receptacles, his concern rests on a faulty premise. While it may not be executed to perfection everywhere every day, postal policy requires a carrier to retrieve outgoing mail at a curbside mail receptacle when its red signal flag indicates the presence of outgoing mail, irrespective of whether the carrier has any mail to deliver to that receptacle that day. The same applies to park-and-loop or foot routes where a carrier observes outgoing mail in door slots or appended to a receptacle affixed to a residence.³⁶

Notwithstanding his concession regarding the infeasibility of measuring service performance for Single-Piece First-Class Mail left for carrier pickup, Mr. Popkin expresses concern about the inability of the new measurement system to record a particular service failure that would be unique to mail left for carrier pickup. He observes that for city delivery offices on Saturdays and for some rural offices on weekdays the last dispatch to the plant could occur before 5:00 p.m. or before carriers are scheduled to return from their routes. He raises the specter of outgoing Single-Piece First-Class Mail picked up by carriers on one day but not being dispatched to the plant for processing until the following day.³⁷ He appears to contrast these irregular occurrences with the presumption that collection box mail and mail accepted over postal

³⁵ Popkin Comments at 4.

³⁶ See USPS Handbook M-41, City Delivery Carriers Duties and Responsibilities, section 371; USPS Handbook PO-603, Rural Carrier Duties and Responsibilities, section 321.3; SP-1, Highway Contract Routes – Contract Delivery Service, section 351.1.

³⁷ Carlson Supplemental Comments at 3-4. These concerns are shared by Mr. Popkin at page 5 of his Comments.

retail counters always receive same-day dispatch to the plant. Such a comparison exaggerates any difference in degree of timely dispatch that may exist.

Mr. Popkin appears to argue that the inability to include Single-Piece First-Class Mail left for carrier pickup in the new measurement system means that the new measurement system will not record First Mile failures unique to such mail. The Postal Service cannot disagree, but reminds the Commission that, as a part of the new measurement system, day-late dispatch will result in an extended First Mile interval for sampled mailpieces and could adversely affect First Mile scores for mailpieces scanned at collections boxes and office mail chutes, or accepted over postal retail counters.

Some criticism of the proposed measurement system is based on an exaggeration of the virtues of EXFC. It is undisputed that human error is at the root of many late postal deliveries; however, it is a gross exaggeration to claim that “the EXFC system can identify these human errors.”³⁸ EXFC scores account for the number of days from deposit of a mailpiece to delivery. However, the EXFC score for a late mailpiece does not provide any basis for identifying the cause for its tardiness. EXFC data do not reveal whether there was a failure to sweep a collection box completely or in a timely manner, whether there was a mail processing mistake, a transportation problem, or a misdelivery.

G. Collection Mail is a Reasonable Proxy for Mail Left for Carrier Pickup

At page 4 of his comments, Mr. Popkin postulates that carriers are more likely to return late from their delivery routes than from dedicated collection routes, and speculates that when carriers return to their delivery units too late for the last scheduled

³⁸ Carlson Opening Comments at 7.

dispatch of mail to the processing facility, the Postal Service is less likely to schedule extra transportation to preserve the opportunity for such mail to meet its delivery standard. The Postal Service recognizes that a relatively small percentage of mail collected by carriers from customers' mail receptacles might occasionally arrive back at the delivery office after the scheduled last trip to the processing facility has been dispatched.

Even though no feasible method for reliable inclusion of carrier pickup mail in the proposed measurement system has yet to be developed, Mr. Popkin's concern is mitigated by several considerations. The return of carriers to the delivery unit after the final scheduled dispatch cannot always be avoided. However, it bears emphasizing that local Single-Piece First-Class Mail is no longer subject to an overnight delivery standard. Accordingly, many dispatch failures may no longer automatically result in a service standard failure, as previously would have been the case. Moreover, many carriers are responsible for retrieving mail from collection boxes while on their delivery routes. Over time, the Postal Service expects to reduce its reliance on dedicated collection runs. As more blue collection boxes shift from dedicated routes to carrier pickup, more mail collected from residential customer receptacles by carriers will be transported back to the delivery unit for dispatch to the plant simultaneously with mail they pick up from blue collection boxes. Thus, when it comes to dispatch to the plant for processing, there will be an increasing correlation between what happens to collection mail and mail that carriers retrieve from customer mail receptacles. As the proportion of dedicated collection routes decreases, any delays in the dispatch of collection mail to the plant for processing will affect carrier pickup mail to an increasingly similar degree.

Moreover, several additional mitigating considerations come into play. The Postal Service maintains a strong commitment to ensure that Single-Piece First-Class Mail is dispatched to its initial processing facility in a timely manner to meet applicable service standards. This commitment is supported by local *ad hoc* initiatives by postal managers to transport late arriving mail to plants for processing where feasible and benefits from the availability of existing arrangements to expedite the dispatch of Priority Mail volume that also has been picked up by carriers.³⁹ Postal employees at all levels of the organization strive to provide quality service for the sake of providing quality service. For all of its products, the Postal Service has a long tradition of field managers and employees going beyond the call of duty to improve customer satisfaction, irrespective of whether their actions are recognized or rewarded, or whether the results are captured by service measurement systems that generate reports submitted to the Commission.

Contrary to outdated stereotypes, postal managers and employees engaged in acceptance, processing, and delivery of mail are cognizant of changes in the mail mix that result from diversion to electronic communication and competitive forces. They are motivated to perform their jobs in a manner that provides a level of service that gives the Postal Service an opportunity to retain or increase mail volume. Granted, in a system as vast as that operated by the Postal Service, there will be occasions where (a) some carriers may return later than scheduled and/or after the final dispatch from their delivery unit to the plant, and (b) it is not feasible to arrange extraordinary transportation

³⁹ There may be no persuasive response to cynics predisposed to believe that extraordinary same-day dispatches from delivery units to the plant for late mail will only ever be made to expedite sample mailpieces and that absolutely no effort will be made to include in those dispatches the collection and carrier pickup mail from which those samples are drawn.

for same-day dispatch of their collection mail or mail picked up from receptacles to the plant for processing.

H. Commenters Overstate the Impact of Potential Employee or System Errors.

1. First Mile

Mr. Popkin suggests that there are situations that may impact service performance scores under EXFC that may not affect service performance measurement under the proposed SPM plan. He lists several scenarios that may occur during the First Mile.⁴⁰

The first scenario he describes is one in which mail is retrieved from a collection box, either before the scheduled final pickup time or not at all on a given day. However, the First Mile measurement process outlined at page 24 in the proposed SPM plan accounts for collection mail that is collected early and collection mail that is not collected on a given day. These scenarios are addressed by a comparison of the Collection Point Management System (CPMS) barcode scan time to the scheduled collection box pickup time. Delivery Operations field managers leverage CPMS to identify boxes with missed scans and/or collected early to generate reports and/or alerts. Local management will have the opportunity to respond and react to reports and alerts by sending employees out to collect mail from collection boxes that were missed or prompt the carrier through the scanning device to sweep collection boxes that were collected before the last collection time.⁴¹

⁴⁰ Popkin Comments at 5.

⁴¹ The First Mile sampling system incorporate CPMS densities and will determine the potential percentage of mail that missed collection based upon those densities, and adjusts First Mile factor accordingly. SPM Plan at 24.

Other potential failures listed by Mr. Popkin at the top of page 4 of his comments include not having all collection mail removed from a collection box or vehicle, a failure to dispatch such mail to the plant in a timely manner, or to process it properly after arrival.⁴² Human and system errors will never be completely eliminated from most enterprises, including the national postal system. It is undeniable that the very unusual phenomena described by Mr. Popkin do occur today and have the potential to affect EXFC test pieces and resulting scores. However, EXFC provides no basis for determining the cause of late delivery, so it is not known to what degree these infrequent mail handling errors currently may be affecting EXFC test pieces.

As with EXFC, the proposed SPM plan is designed to give a reasonable representation of service performance today. The Postal Service intends to include virtually all collection boxes as part of the potential sampling pool, thus providing greater geographic coverage and representation of the First Mile and Single-Piece First-Class Mail. It is safe to assume that the same unusual phenomena described by Mr. Popkin will occur with First Mile sample pieces under the new measurement system. Accordingly, one expects there to be a corresponding adverse influence on First Mile scores where such mishandling occurs. But it is impossible to project whether the consequences of such mishandling will significantly impact First Mile scores, or have more or less impact on such scores as it currently may have on EXFC tallies.

2. Delivery Errors

At page 5 of his Comments, Mr. Popkin also lists several types of mishandling of mail that may occur during Last Mile and that would currently affect EXFC results, but

⁴² See *also* Carlson Opening Comments at 7; and APWU Comment at 6.

would not necessarily affect scores generated by the proposed measurement system. These examples include mail not processed or not properly processed at the delivery office, mail sorted to an incorrect carrier route, and mail delivered to the wrong delivery point. It should be emphasized that EXFC also is not designed to detect instances of misdelivery or the impact of misdelivery on transit times. Accordingly, it is not known whether misdelivery of EXFC test pieces happens with sufficient frequency to affect service performance scores for Single-Piece First-Class Mail to any significant degree. The same can be said of the measurement system with which the Postal Service intends to replace EXFC.

The proposed SPM plan accounts for all of the misdelivery scenarios listed by Mr. Popkin except for some instances where mail is delivered to the wrong delivery point. The geo-coordinates captured during the delivery scan are intended to identify if the mailpiece is scanned at the wrong address, but cannot do so if the address is associated with a multi-delivery point receptacle, for which multiple addresses would share the same geo-coordinate.⁴³ Messrs. Popkin and Carlson comment that the proposed SPM plan will not capture instances of misdelivery to Post Office Boxes (P.O. Boxes) in measurement.⁴⁴ However, there are processes in place that can account for some such instances of misdelivery. Under the proposed SPM plan, misdelivered pieces that have returned to the mailstream could be included among the pieces that may be sampled for purposes of Processing Duration on any given day. Under the

⁴³ Such as a cluster box in a residential development of individual homes or an apartment building mailroom that houses multiple mail receptacles.

⁴⁴ Popkin Comments at 3; and Carlson Supplemental Comments at 9.

proposed SPM plan, a portion of misdelivered pieces will be captured in samples collected by letter carriers scanning those pieces at the point of delivery.

The Postal Service recognizes that pieces that were re-delivered directly by the initial recipient will not be captured in these scans, but considers that the benefits of the expanded universe of pieces and delivery points included in the SPM plan when compared to the current EXFC system outweighs the lost opportunity to capture a small sample of misdelivered pieces accurately. In addition, data on Last Mile performance from the current hybrid commercial mail measurement system (which should capture all types of misdeliveries) will be compared to the Last Mile factor under the proposed SPM system during the period of parallel testing and can be used to determine the significance of this alleged shortcoming of the proposed system. The return of the piece to mail processing will recalculate the Processing Duration interval. The measurement system is designed to measure the Processing Duration from the original first processing operation to the final last processing operation for that piece and erase the previous Last Mile score.

Admittedly, some mail that is misdelivered today and in the future may never make it back to the plant for additional processing (and Processing Duration recalculation) before being redirected to the proper address. Some is redelivered by the initial recipient directly to the correct address as a neighborly courtesy, returned to the carrier for redelivery, or for relay to another carrier in the same station for redelivery. In all these instances, the mail likely never re-enters the “scanning zone.” As it gains more experience with the new system, the Postal Service will look for opportunities to leverage the measurement system data for internal diagnostic purposes to identify re-

processing and re-delivery of mail that indicates instances where mail was initially misdelivered. This will create opportunities to educate the work force and ultimately improve customer service.

3. Start-the-Clock

The Public Representative observes that Start-the-Clock and Stop-the-Clock generally define the metrics measured for service performance measurement. At page 7 of her Comments, the Public Representative expresses the view that the definition of Start-the-Clock used for purposes of the new measurement plan different than for EXFC. She contends that for EXFC, Start-the-Clock occurs when mail is dropped into the collection box. The Postal Service does not regard there to be any difference in the definition of Start-the-Clock between EXFC and the proposed SPM plan. In both, Start-the-Clock is based on the day that the piece is expected to be collected, not the time the mail is dropped into the collection box. For example, whether under EXFC or the new measurement system, a test mailpiece deposited on a Tuesday morning into a collection box with a 5:00 p.m. pickup time is expected to be collected after that posted time on Tuesday and will have a Tuesday Start-the-Clock date.

4. Stop-the-Clock

At page 8 of her Comments, the Public Representative expresses the concern that the proposed SPM Plan measures Stop-the-Clock differently than EXFC, and recommends that the Postal Service have a transitional state between the two measurement systems. As indicated above in section I.C at page 9, the Postal Service intends to run both measurement systems through the first two quarters of fiscal year 2016.

For clarification, EXFC is designed to record both a Start-the-Clock and a Stop-the-Clock event for each test mailpiece. Data generated by droppers (senders) and reporters (recipients) are used to represent end-to-end measurement and reflect the days in transit between the deposit and delivery. In the proposed SPM plan, the Postal Service intends to gather Single-Piece First-Class Mail data generated from scanning of pieces during three different stages of the end-to-end delivery process: First Mile, Processing Duration, and Last Mile.

5. The System is Designed to Capture the Consequences of Dispatch Errors.

At page 9 of its comments APWU appears to express concern that the proposed SPM plan will not measure mail that incurs delays in dispatch to its normal origin plant for initial processing or delays in processing that result from dispatch to more distant plant. These concerns seem to reveal a fundamental misunderstanding of First Mile measurement. The proposed SPM plan will Start-the-Clock when the mailpiece is picked up at the collection point. Under the proposed SPM plan, First Mile measurement would reflect mail that takes longer than expected to reach the processing operation because the First Mile measurement concludes when the

mailpiece is scanned during its first processing operation. Sampled mail that did not make the first dispatch would still be included in measurement and would be included in the First Mile calculation. Additionally, if such mail must then be routed from the plant at which it was initially processed to the proper origin plant for further processing, its extended Processing Duration -- beginning in Plant B and moving to or ending in Plant A -- is recorded. Accordingly, APWU is mistaken in concluding that the proposed measurement system excludes mail dispatched inadvertently (or otherwise) to a different initial processing plant than is called for by the network plan.

II. Clarification of Various Aspects of the Proposed SPM Plan

A. Start-the-Clock

1. Definition

In their joint comments, PostCom *et al.* raise concerns related to the specific Start-the-Clock and Stop-the-Clock events the Postal Service uses to measure service. First, PostCom *et al.* state that the Postal Service uses various terms in the proposed SPM plan to describe how the Postal Service determines Day 0 depending on the day and manner of mail entry; specifically the joint comments state that the Postal Service uses terms such as “the next applicable acceptance day;” “the next business day;” “the next acceptance day for that facility;” and “the next processing day.”⁴⁵ PostCom *et al.* argue that the Postal Service’s use of these terms is inconsistent and that the Postal Service fails to adequately define these terms for the purposes of determining Start-the-Clock.⁴⁶

⁴⁵ PostCom *et al.* Comments at 3.

⁴⁶ *Id.*

Operational context is an important key to understanding postal terminology. For example, if mail is dropped at a BMEU after the Critical Entry Time (CET), then the next acceptance day is an appropriate way to describe when Start-the-Clock will occur. If mail is dropped at a Destination Facility, then the next processing day is an appropriate way to describe when Start-the-Clock will occur. PostCom *et al.*'s uncertainty regarding the above referenced terms is an important reminder for the Postal Service to ensure that its SPM plan is as clear as possible for readers.

2. Use of Container Unload Scans, FAST Appointments, and Customer/Supplier Agreements to Determine Start-the-Clock.

In their joint comments, PostCom *et al.* raise concerns related to specific business rule changes that the Postal Service will apply under the proposed SPM plan. First, PostCom *et al.* seek clarification whether Customer/Supplier Agreements (C/SAs) will be used to determine Start-the-Clock under the proposed SPM plan.⁴⁷ Specifically, the joint comments state that in Section 10.1.1, rule 2.2, at page 60 of the proposed SPM plan, the Postal Service indicates that it will “no longer [use C/SAs] to drive Start-the-Clock for [Business Mail Entry Unit (BMEU)] entered mail.”⁴⁸ PostCom *et al.* states that in Section 10.1.1, rule 4.1 at page 62 of the proposed SPM plan, the Postal Service indicates that, for First-Class Mail using Detached Mail Unit (DMU) postal transportation, C/SAs may impact CETs.⁴⁹

PostCom *et al.* suggest that these statements regarding the role of C/SAs in determining Start-the-Clock are inconsistent with each other. However, rules 2.2 and

⁴⁷ *Id.* at 4.

⁴⁸ *Id.* On June 26, 2011, the Postal Service moved to a national Critical Entry Time for BMEU-entered mail, and no longer used C/SAs to determine CET.

⁴⁹ *Id.*

4.1, outlined in section 10.1.1, are not inconsistent; rather, these business rules regarding the use of C/SAs to determine Start-the-Clock apply to two distinct types of mail based on entry type. Rule 2.2, which applies to BMEU entered mail, states that C/SAs are no longer used to determine Start-the-Clock, while rule 4.1, which applies to DMU verified mail, states that C/SAs are used to determine Start-the-Clock. C/SAs play no further role in the business rules for determining Start-the-Clock.

PostCom *et al.* recommends the Postal Service review existing C/SAs, conduct periodic reviews, and provide information on future inclusion in the proposed SPM plan. Although not related to the proposed SPM plan, the Postal Service can report that Operations is currently conducting internal reviews of C/SAs to ensure they align with transportation. The Postal Service will continue to utilize C/SA data to help determine CET for origin-entered First-Class Mail, as indicated in the proposed SPM plan. The Postal Service will consider the frequency needed for periodic review to ensure that C/SA information is current and reflected in service performance measurement.

Second, PostCom *et al.* also express concerns regarding the use of container unload scans as a Start-the-Clock event. PostCom *et al.* observe that the Postal Service does not “consistently maintain acceptable container scan rates.”⁵⁰ The joint commenters argue that the occasional failure to scan the container upon entry results in this mail being excluded from measurement.⁵¹ Moreover, PostCom *et al.* suggest that

⁵⁰ *Id.* at 6.

⁵¹ *Id.*

container unload scan may not be an accurate measure of when mail arrives at a postal facility.⁵²

The Start-the-Clock business rules account for scenarios where container unload scans are not available. The Postal Service utilizes mailer-provided information in determining Start-the-Clock in the absence of a container unload scan. For instance, if there is no container unload scan for DMU Verified Postal Service Transported mail, then Start-the-Clock will default to the mailer provided Scheduled Ship Date.⁵³ If there is no container unload scan for DMU-Verified Mailer Transported mail and there is an associated Facility Access and Shipment Tracking (FAST) Appointment, then the mailer provided FAST Appointment information will be used to Start-the-Clock.⁵⁴ Moreover, the Postal Service is making additional investment to improve scan rates and efficiencies.

Third, PostCom *et al.* assert that the proposed SPM plan expands the use of FAST Appointment data to determine Start-the-Clock in more scenarios than the business rules already in place today. This is not the case. Rather, the proposed SPM plan applies the same business rules to presort products that are currently in effect under the existing measurement system.

Furthermore, PostCom *et al.* recommend that the business rules, procedures, and training regarding the use of FAST Appointment times to determine Start-the-Clock should be reviewed and improved. The Postal Service continually educates and trains employees on proper procedures, and is continually assessing the business rules

⁵² *Id.*

⁵³ Refer to Section 10.1.1 Rule 4.

⁵⁴ Refer to Section 10.1.1 Rule 6.

associated with service performance measurement. In addition, the Postal Service continues to look for collaboration with the mailing industry to define areas of opportunity to improve the business rules associated with service performance measurement.

B. Stop-the-Clock

In their joint comments, PostCom *et al.* state that it is unclear how the Postal Service ensures that facility Clearance Time data is routinely reviewed for accuracy and updated. The Postal Service uses national Clearance Times. As part of its responsibility for oversight for service performance measurement, USPS Enterprise Analytics performs periodic reviews of mail processing data to ensure the proposed system currently reflects mail processing and delivery work flows.

C. Data Exclusion Rules

In their joint comments, PostCom *et al.* observes that under the current measurement systems, the Postal Service utilizes an extensive list of exclusionary rules in its effort to validate the accuracy and integrity of data included in its service performance calculations.⁵⁵ PostCom *et al.* then asks whether the Postal Service currently applies data exclusion rules to its current internal measurement systems and whether it intends to apply data exclusionary rules in the proposed plan.⁵⁶ The Postal Service refers commenters to Section 10.2.3 of the proposed SPM plan which covers current data exclusion rules for its system which measures Presort First-Class Mail. These data exclusion rules will continue to apply to Presort First-Class Mail in the

⁵⁵ PostCom *et al.* Comments at 11.

⁵⁶ *Id.*

proposed SPM plan. In addition, the Postal Service refers commenters to Section 10.2.2 which covers data exclusions that will apply under the proposed system to measure Single-Piece First-Class Mail. The Postal Service strives to include as much mail in measurement as possible. The Postal Service validates the integrity and accuracy of the existing data exclusion rules through a third-party, who validates EXFC and the internal commercial measurement system. The Postal Service plans to continue to validate the integrity and accuracy of the proposed system, and has contracted an independent third-party to develop and implement a quality assurance plan.

PostCom *et al.* also opposes what they describe as a “new” data exclusion rule related to High Delivery Days.⁵⁷ However, this rule is not new; rather, it is an existing exclusion rule that was added to the service measurement system in 2012 on the recommendation of the third-party auditor. The rule was implemented out of recognition that each unique Intelligent Mail barcode (IMb) could be applied to a new mailpiece as often as once every 45 days. Without the data exclusion rule, it would be possible for two pieces bearing the same unique IMb to be in the mailstream which would generate confusion in the interpretation of service measurement scan data. The original 30-day rule for Presort First-Class Mail was adopted from EXFC at the start of commercial mail measurement in 2009 for consistency within First-Class Mail across Presort and Single-Piece. For other mail classes, the longer 45-day rule was implemented because of longer service standard day ranges.

⁵⁷ *Id.* at 12.

D. Technical Specifications of the Mobile Delivery Devices

In his comments, Mr. Popkin raises questions related to the mobile delivery device (MDD) and the accuracy of its global positioning system (GPS) location services.⁵⁸ The requirements of the system are for the MDD to report GPS locations within five meter accuracy, and location identification may be more accurate depending on the signal strength and surrounding buildings. The GPS on the MDD is not expected to be so definitively accurate as to be able to distinguish without a doubt between two closely located addresses and may not be used to identify every instance of misdelivery. The Postal Service intends to use GPS locations from sampling scans to improve the accuracy of its data. When sampling scan locations deviate from the current expected delivery point location by a distance greater than a configurable amount, analysis will be performed using data from daily package scans and GPS Breadcrumbs to help improve accuracy.⁵⁹

Mr. Popkin also questions whether the GPS function on the MDD would be able to differentiate between two collection points that are located within close proximity to each other.⁶⁰ The MDD is not required to distinguish between collection boxes or other collection points that are within close proximity to each other. Each collection point is assigned its own unique barcode that is placed within the collection box or next to the lobby chute. System generated sampling requests for collection points will be triggered

⁵⁸ Popkin Comments at 3.

⁵⁹ The MDD captures and transmits its GPS location on a set schedule. GPS Breadcrumbs refer to the series of geo-coordinates associated with a specific MDD.

⁶⁰ *Id.*

when the employee scans the collection point's unique barcode. Once prompted, the employee will scan the requested number of sample pieces.

III. Proposed SPM Plan Will Produce Valid and Reliable Data.

A. Lack of Confidentiality of Test Mailpieces Under the Proposed SPM Plan Results in the Potential for Postal Service Management or Employees to "Game the System".

Commenters note that under the proposed SPM plan that Postal Service employees will know, through First Mile and Last Mile scanning activity, which mailpieces are being measured and which mailpieces are not being measured. Commenters express concern that this lack of "confidentiality" could result in non-representative service performance results and the potential for Postal Service managers and employees to influence service performance scores. Several commenters are of the opinion that "confidentiality" of test mailpieces is an essential characteristic of an objective service performance measurement system.⁶¹ However, "confidentiality" of information is not required by 39 U.S.C. § 3691, as it permits the establishment of internal measurement systems such as are in place today after review and approval by the Commission in Docket No. PI2008-1. Measurement for a variety of market-dominant products relies on postal employee "non-confidential" scanning of mailpieces at acceptance and delivery. Examples include container unload scans to Start-the-Clock for commercial mail as well as acceptance and delivery scans for special services such as Postal Service Tracking (formerly Delivery Confirmation).

Commenters suggest that under EXFC₁, the Postal Service treats any Single-Piece First-Class Mail letter or flat as a potential test mailpiece since test mailpieces are

⁶¹ APWU Comments at 8; Carlson Comment 1 at 2, 4-6; and Popkin Comments at 2.

unknown to Postal Service personnel.⁶² Accordingly, as a result of the anonymity of test mailpieces, commenters suggest that the Postal Service may take additional measures to ensure that all Single-Piece First-Class Mail meet the applicable service standard.⁶³ These commenters posit that under the proposed SPM plan, there is no “confidentiality” as scanned mailpieces are known to Postal Service personnel who will establish some form of a caste system under which scanned pieces receive preferential treatment intended to ensure delivery meets service standards, while processing and delivery of non-scanned pieces is deferred.⁶⁴ As a result of the lack of confidentiality, commenters argue that such treatment will impact the service performance measurement results obtained under the proposed SPM plan.

Mr. Carlson recommends sampling a greater proportion of the collection mail than the Postal Service currently proposes to ensure sampling confidentiality.⁶⁵ The Postal Service intends for the proposed plan to include a statistically valid sampling process and does not consider it necessary to revise its sampling methodology to include additional “dummy” sampling described by Mr. Carlson.

To ensure sampling data integrity, the Postal Service plans to implement an auditing system that is currently being designed by a third-party contractor. The Postal Service intends to encourage appropriate behavior through recurring training, the identification and reporting of anomalies or discrepancies, and to empower employees to report discrepancies to ensure integrity of the measurement system through

⁶² Carlson Opening Comments at 2, 4-6; and Popkin Comments at 2.

⁶³ Carlson Opening Comments at 4-6; and Popkin Comments at 2.

⁶⁴ Carlson Opening Comments at 4-6; and Popkin Comments at 2.

⁶⁵ Carlson Opening Comments at 6.

Management Instructions. Managers and employees will be instructed to handle the sampled mailpieces in the same way as the rest of the mail. They will be encouraged to report instances in which they are directed to segregate or observe segregation of sampled mailpieces for preferential dispatch, processing, or other activity perceived to constitute “gaming” the system. If an employee is found to have intentionally undermined the integrity of the measurement system, then it is reasonable for employees to expect to suffer adverse personnel consequences. The Postal Service takes integrity seriously and wants to achieve accurate and reliable measurement.

The absence of First Mile confidentiality of sampled mailpieces should not have a significant impact on the new internal measurement plan. If an employee decides to handle sampled collection mail in some extraordinary manner, the impact would be limited to collection volume mail flow profiles, the first processing operation, and the algorithms related to First Mile -- *i.e.*, the sampled mail would be used in the calculations for First Mile. One would expect the First Processing operation for a significant majority of mail with this profile to be an AFCS for letters and AFSM100 for flats. Questionable sampled pieces would also then be included in the processing score along with the hundreds of millions of pieces processed daily, making them statistically insignificant. Additionally, it is highly unlikely that the same piece randomly sampled at collection would also be included in the mail sampled at delivery for Last Mile calculations. This negates any potential value of expediting sampled mailpieces in an effort to “game” the system. Also, the internal measurement plan leverages data and technology for report generation which will identify unusual instances of mail flow. This creates an opportunity to train managers and employees on the process and the

importance in maintaining integrity of the system. An example of a questionable mail flow would be where a sampled mailpiece lacks a cancellation scan and where the First Processing operation is either at a destination facility or none is recorded.

APWU suggests that under the proposed SPM plan, Postal Service management will be able to influence selection of test mailpieces.⁶⁶ However, this is not the case. The sampling algorithm that will be used in the proposed system will determine how many pieces need to be sampled each day, at a carrier level. Postal Service management has no role in the selection of the number of test mailpieces that should be scanned. Moreover, data collection will be radically different than decades ago when service measurement relied on postal employees manually recording postmark data on sample pieces at delivery units to determine the total number of days in transit, and being instantly cognizant of whether the data they recorded would result in a “good” or “bad” service performance score. Under the new system, Last Mile data collection will largely be performed by carriers prompted to scan barcodes on mailpieces as they approach randomly selected delivery addresses on their routes. The scan data will be used for measuring time from the Last Processing Operation, not for the entire mailpiece origin-destination transit duration. The mailpiece barcodes convey no time-in-transit information. Most mailpieces that employees are expected to sample for Last Mile measurement will not have a postmark or other visible indicator of how long the piece has been in transit, or whether the carrier’s delivery scan could result in a “good” or “bad” end-to-end score for the Postal Service or that carrier’s administrative Area or District.

⁶⁶ APWU Comments at 9.

B. Concerns that the Proposed Service Performance Measurement System is Biased Towards Barcoded Mail.

Several comments expressed concerns that the proposed service performance measurement system's reliance on mailpiece scans may create a bias towards mail with barcodes.⁶⁷ Additionally, comments expressed concerns that this bias may skew service performance measurement as some commenters believe that barcoded mail moves significantly more quickly through the collection and dispatch, mail processing and delivery functions than non-barcoded mailpieces. Specifically, in its comments, APWU expresses concern that it would be easier to process Single-Piece First-Class Mail used for First Mile measurement under the proposed system because the proposed system will only measure automation-compatible mail.⁶⁸ However, this observation implies that the current EXFC measurement system includes pieces that are not automation-compatible. In fact, EXFC test pieces undergo a rigorous test to ensure that they are automation compatible. Accordingly, there is no basis for characterizing the new plan as introducing a bias for automation-compatible mail.

Both Mr. Popkin and APWU highlight the fact that EXFC test mailpieces include ones with handwritten addresses.⁶⁹ The new measurement system will include hand-addressed pieces as well, since they will be part of the accountable Single-Piece First-Class Mail accepted at postal retail windows and included in measurement, as discussed above in Section I.D.2.

⁶⁷ APWU Comments at 6-7; Popkin Comments at 5; and PR Comments at 10-11.

⁶⁸ APWU Comments at 6-7.

⁶⁹ APWU Comments at 7; and Popkin Comments at 5.

APWU further expresses concern that there would be insufficient barcoded mailpieces in collection boxes to conduct large amounts of sampling. This concern belies the common understanding that pre-barcoded Courtesy Reply envelopes comprise a significant portion of mailpieces deposited in collection boxes. The 2013 Household Diary Study indicates that 56 percent of mailpieces sent by households are payments, which likely use IMb pre-barcoded Courtesy Reply envelopes. In addition, under the proposed SPM plan, IBI barcoded mailpieces are included in the potential sample pool, thus increasing the number of mailpieces eligible for measurement. Accordingly, there is no basis for asserting that there will be insufficient number of barcoded mailpieces to support the proposed measurement system and capture a statistically valid sample for First Mile data collection.

APWU also argues that the Postal Service's reliance on barcode scans would create an inaccurate representation of service performance because barcoded mail is easier to process than non-barcoded mailpieces.⁷⁰ Similarly, in her comments, the Public Representative states that there are potential issues surrounding First Mile measurement because it is unclear in the proposed SPM plan how the Postal Service will ensure sampled mailpieces are representative of overall Single-Piece First-Class Mail. Specifically, she observes that only sampling mailpieces with scannable barcodes could lead to potential bias in the selection of sample mailpieces.⁷¹

Differences in the processing of pre-barcoded mail and the processing of mail that get barcoded by the Postal Service during processing are less significant than

⁷⁰ APWU Comments at 7.

⁷¹ PR Comments at 10-11.

suggested by commenters. Automation-compatible mail, whether pre-barcoded or non-barcoded, follows the same general operational process upon collection. Letters are processed on the AFCS200 or legacy AFCS, where a unique barcode is applied to non-barcoded letters. Similarly, flats are processed on the AFSM100, where a unique barcode is applied to non-barcoded flats. Thus, contrary to the commenters' assertions, it is not significantly easier to process pre-barcoded mail than it is to process mail to which the Postal Service applies barcodes.

C. Measuring Post Office Box Mail.

Mr. Carlson expresses concerns regarding the proposed SPM plan and measuring Last Mile performance for P.O. Box mail. He states that “employees could easily locate and scan the requested test mailpieces but not deliver them by the ‘box up time’.”⁷² Additionally, Mr. Carlson notes that the sampling process might influence clerks to focus more closely on their duties for the sampled P.O. Box and that the proposed SPM plan “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.”⁷³ Mr. Carlson seems to be basing his concerns on negative assumptions about the integrity of postal managers and employees. The Postal Service maintains a proud tradition of integrity among its managers and employees, which contributes to service quality and levels of public trust that generate high customer satisfaction ratings, such as those reported by the Gallup Organization in November 2014. The scanning and analytical system that underpins

⁷² Carlson Opening Comments at 9.

⁷³ Carlson Supplemental Comments at 2.

the proposed SPM plan will provide information that will be used to further strengthen the integrity of our processes to better support our employees desire to provide outstanding service to customers.

In his Supplemental Comments at pages 1 and 2, Mr. Carlson offers conflicting reasons to think that performance of the mail being sampled might be better or worse than the performance of other mail at the same P.O. Box section. First, he restates his concerns from his Opening comments that mail that had been scanned might either not be placed in the P.O. Box by the P.O. Box uptime or it might be placed in the wrong P.O. Box.⁷⁴ Second, he asserts that the clerk will focus more carefully on the handling of mail addressed to the P.O. Box that has been selected for sampling and that therefore this mail would not be representative of all the mail at post office boxes.⁷⁵ In response to these conflicting concerns, the Postal Service reminds the Commission that the Postal Service has policies and procedures in place to ensure P.O. Box mail is put in receptacles in an accurate and timely manner. Additionally, the Postal Service does not expect sampling scans to interfere with performance of those duties because sampling activities will occur prior to P.O. Box distribution, apply to a limited number of P.O. Boxes in a section, and take a limited amount of time.

Moreover, the approach outlined in the proposed SPM plan is intended to measure time in transit, not to reflect P.O. Box uptime. The scanning of mail addressed to P.O. Boxes will contribute to estimating the Last Mile factor which estimates delays between the day that a piece is scanned in the last processing operation and the day it

⁷⁴ Carlson Supplemental Comments at 1. Mr. Carlson's claims of insight into the thinking of postal employees as they perform their jobs remain unsubstantiated.

⁷⁵ *Id.*

is delivered. It is not being used to measure the time of delivery or for service performance which is measured in terms of day of delivery, not time of delivery. P.O. Box Service uptime performance will continue to be measured at a unit level in accordance with Section 9.4 of the SPM plan, not by sampling individual pieces. The Postal Service is not proposing to change measurement of P.O. Box uptime compliance.

D. Proposed SPM Plan is Subject to Independent Audit.

1. Robust Independent Audit of Postal Service Measurement Systems Will Continue.

In separate comments, the American Postal Workers Union (APWU) and PostCom *et al.* raise the issue of the need for independent auditing of the proposed SPM plan. APWU decries the proposed plan as an attempt to “eliminate independent auditing” that would be “harmful to the public trust”⁷⁶ While PostCom *et al.* suggest that the new system be subject to periodic independent audits.⁷⁷

The Postal Service Vice President for Enterprise Analytics reports directly to the Chief Information Officer and is responsible for managing Postal Service measurement systems that, *inter alia*, fulfill the Commission’s reporting requirements. The Enterprise Analytics department employs information technology, postal operations experts, and statisticians to develop, manage, and protect the integrity of postal measurement systems. Enterprise Analytics routinely collaborates with subject matter experts within numerous other postal management departments at headquarters and in the field to develop, manage, and protect the integrity of its measurement systems, including the

⁷⁶ APWU Comments at 1.

⁷⁷ PostCom *et al.* Comments at 13.

Postal Inspection Service. Depending on need and circumstance, Postal Service Enterprise Analytics also employs outside consulting firms with specialized expertise, either on a long-term or short-term basis. All of this should be expected to continue, moving forward. As indicated in the response to Question 4 of Chairman's Information Request No. 3, a third-party contractor is developing and will implement an audit plan for maintaining a high level of system integrity on an ongoing basis.

As with the current system, the new system will be subject to audit by the U.S. Postal Service Office of Inspector (OIG) and the Government Accountability Office (GAO), both of which operate independently from Postal Service management and one another. Both entities exercise independent discretion when it comes to the timing, scope, and frequency of their audit activity. Moreover, the Commission's annual review of service performance under 39 U.S.C. § 3653 provides a forum for in-depth inquiry and independent review of the systems and methods through which service performance data are generated.⁷⁸ As it should, the Postal Service routinely cooperates fully with the conduct of all such oversight.

There have been at least three OIG service measurement system audits since 2011.⁷⁹ The GAO recently has initiated its second such audit in less than a year.⁸⁰ The Commission recently completed the fiscal year 2014 annual service measurement

⁷⁸ The Postal Service assumes it be a universally held opinion that this annual compliance review process also operates independently of postal management.

⁷⁹ See e.g., Evaluation of the External First-Class Measurement System Audit Report, USPS OIG Audit Report Number FF-AR-12-006 (September 18, 2012); Service Performance Measurement Data – Commercial Mail, USPS OIG Audit Report Number CRR-AR-12-005 (June 25, 2012); and Service Performance Measurement Data – Commercial Mail Audit Report, USPS OIG Audit Report Number CRR-AR-11-003 (September 6, 2011).

⁸⁰ For the other recent audit, see Government Accountability Office, Information on Recent Changes to Delivery Standards, Operations, and Performance, GAO-14-828R (September 25, 2014).

compliance review. Accordingly, the Postal Service does not fully understand the perspective of those commenters who assert that there will be insufficient independent review of postal service performance measurement systems in the future.

At page 1 of its comments, APWU appears to confuse the operation of an “internal” measurement system with the elimination of independent auditing of a service measurement system. Internal measurement is clearly permitted under the terms of 39 U.S.C. § 3691(b)(2). And, as a part of this docket, the Postal Service intends for the Commission to examine the audit plan referenced in its response to Question 4 of Chairman’s Information Request No. 3. Through the execution of that audit plan and the work of each of the independent entities described above, auditing of the Postal Service’s performance measurement systems should be expected to continue.

2. Some Comments Inaccurately Reflect What was Actually Stated at the Technical Conference.

In its comments, APWU places great emphasis on the need to preserve integrity in service measurement, but in doing so, inaccurately interprets relevant documents and events. For example, at page 8 of its comments, APWU references page 11 of a 2012 U.S. Postal Service Office of Inspector General audit report⁸¹ regarding the External First-Class (EXFC) measurement system. APWU highlights the OIG’s observations that extraordinary measures had been taken by some local postal units to dispatch or deliver late-arriving single-piece First-Class Mail, and that Single-Piece First-Class Mail service quality was a factor in evaluating the performance of postal managers and determining any pay increases or bonuses for which they were eligible. APWU then characterizes

⁸¹ Evaluation of the External First-Class Measurement System, USPS OIG Audit Report Number FF-AR-12-006 (September 18, 2012).

the OIG audit report as having “noted that USPS managers [sic] have a strong monetary incentive to report favorable service results”⁸² However, the Postal Service invites the Commission’s attention to the fact that the OIG audit concluded only that the above-referenced extraordinary processing and delivery activity “might have” been influenced by the relationship between service performance and pay-for-performance. In doing so, the OIG implicitly acknowledges other potential influences. Thus, contrary to APWU’s claim, there was no definitive OIG finding of a monetary incentive (*strong* or otherwise) for postal managers to report favorable service results.⁸³ In light of such misrepresentation of the OIG’s findings, the Postal Service encourages the Commission to rely on its own reading of the materials cited by APWU.

At pages 8 and 9 of its comments, APWU also claims that at the March 18, 2015 technical conference that, when implemented, the Postal Service stated that it may use the new service measurement system “to discipline employees for any missed scans or delayed mail pieces[,]” to “blame employees for mistakes made by mismanagement, bad scanners, mail processing equipment problems, and or other conditions that may arise.”⁸⁴ APWU concludes that use of service performance measurement system “to discipline employees creates an unhealthy incentive among employees as well as

⁸² APWU Comments at 8.

⁸³ For fiscal year 2015, the composite First-Class Mail score is accorded a three percent weight in corporate National Performance Assessment. EXFC scores comprise only a portion of that three percent factor. At the risk of being perceived as naïve, the Postal Service remains optimistic that facts can serve to refute conspiratorial accusations that EXFC scores can be manipulated by local managers to have a significant impact on any annual bonuses they might receive.

⁸⁴ APWU Comments at 10.

managers to ensure that results are favorable, and that errors and delays escape measurement.”⁸⁵

Once again the Commission can confirm independently that there is no basis for APWU’s claim. The Commission’s review of the webcast of the (off-the-record) technical conference should lead it to conclude that:

(1) the Postal Service was asked to respond to a specific question about measures it would take if carriers insubordinately refused to scan collection boxes or mailpieces for purposes of service measurement; and

(2) the Postal Service responded by indicating that it would use the measurement system to help identify such breakdowns and take such action as it deemed appropriate, including disciplining employees.

The Postal Service does not consider this docket an appropriate forum for debate regarding the appropriate response to employee insubordination. APWU is encouraged to correct its misunderstanding by reviewing the webcast of the technical conference, particularly the discussion that begins at about the 1:05:20 mark and continues for about two minutes.

IV. Commenters Raise Issues that are Outside the Scope of PI2015-1.

A. Reporting Service Performance Scores.

The Postal Service’s obligation to provide a system of objective service performance measurement for its market-dominant product is codified at 39 U.S.C. § 3691(b)(1)(D). Under section 3652(a)(2), the Postal Service is required to annually report such service measurement data to the Postal Regulatory Commission as the

⁸⁵ *Id.*

Commission may prescribe. These data permit the Commission to conduct its annual service standard compliance review and issue the service quality determination mandated by 39 U.S.C. § 3653. In order to fulfill these objectives, the Commission has established annual and periodic reporting requirements for the Postal Service that are published at 39 C.F.R. Part 3055. The Postal Service's proposed SPM plan reflects its intent to change the manner in which some of the required service performance data are collected, but the plan includes no proposals that the Commission relax or change any of the Part 3055 reporting requirements, either in terms of content or frequency.

1. Content of Periodic Service Performance Reports.

In their jointly filed comments, PostCom *et al.* criticize the Postal Service's proposed SPM plan for "not attempt[ing] to improve the existing reporting on service measurement."⁸⁶ These parties describe various changes they believe the Postal Service *could* make to the manner in which it independently posts its service standards and publishes service performance data on its own website -- www.usps.com.⁸⁷ They even suggest that the Commission "develop a page on its web site -- www.prc.gov -- that maintains the reports filed by the USPS in an easy to read format."⁸⁸ These suggestions apparently respond to the Commission's solicitation for "comment on any or all aspects of the Postal Service's new proposals for service measurement and reporting systems."⁸⁹ However, they are not premised on any assertion of a failure by the Postal Service to comply with any aspect of 39 U.S.C. § 3652 or 39 C.F.R. Part

⁸⁶ PostCom *et al.* Comments at 14.

⁸⁷ *Id.* at 13-15.

⁸⁸ *Id.*

⁸⁹ See PRC Order No. 2336 at 2.

3055 in reporting *to the Commission*. The statutory scheme establishes a prominent role for the Commission in reviewing postal market-dominant product service performance data and reporting its findings to the public. The Postal Service is required by 39 U.S.C. § 3691 to maintain its market-dominant product service standards in the form of published regulations. The Commission's regulations identify the service performance data that the Postal Service must generate and submit to the Commission in order for it to assess compliance with those service standards. Beyond that, the Postal Service has broad discretion to determine the manner and extent to which it also may publish service performance information.

PostCom *et al.* suggest several changes in the content and format of periodic reports submitted by the Postal Service to the Commission -- as they relate to the separate topics of service variance and the aggregation of three-to-five day First-Class Mail service scores.⁹⁰ In response, the Postal Service emphasizes that the instant docket was initiated for the purpose of assessing the merits of a proposal to amend the manner in which it gathers certain service performance data. The Postal Service proposes to leverage emerging scanning technology advances to transition some of its data collection methods from external to internal and seeks review and approval of those methodological changes under 39 U.S.C. § 3691(b)(2). The method of data generation aside, the content of service measurement reporting is governed by Commission regulations published at 39 C.F.R. Part 3055. Changes to those regulations are subject to notice-and-comment rulemaking. Before initiating a rulemaking to explore changes in the content of data reports it expects a new

⁹⁰ PostCom *et al.* Comments at 17-18.

measurement system to produce, it seems prudent for the Commission to first resolve the instant docket by determining whether it will approve the proposed service performance measurement system changes. Should such a rulemaking be initiated, the Postal Service will be an active participant.

In a similar vein, PostCom *et al.* invite the Postal Service to “explore with the mailing industry a way to report service performance . . . for mail that has been forwarded as a result of a customer Change of Address.”⁹¹ As with countless other complex matters beyond the scope of the instant docket for which easy solutions have proven elusive, the Postal Service stands ready to re-examine this issue with interested mailing industry representatives under the auspices of the Mailers Technical Advisory Committee.

PostCom *et al.* point to differences between the data the Postal Service provides to the Commission under 39 C.F.R. Part 3055 and less granular summaries of service performance data published for public consumption on www.usps.gov.⁹² One set of data serves the specific requirements of the Commission, an expert agency charged with evaluating service performance in relation to various statutory objectives.⁹³ The less granular data published by the Postal Service at www.usps.gov are designed for consumption by the general public, most of whom may fairly be deemed to have less need for a similar level of in-depth granularity. PostCom *et al.* are reminded that the initial publication of service performance data on www.usps.com was a by-product of

⁹¹ *Id.* at 18.

⁹² *Id.* at 14-15.

⁹³ Subject to protections in 39 U.S.C. § 504(g)(3) afforded to commercially-sensitive data, the Commission publishes the public data it receives from the Postal Service at www.prc.gov.

the settlement of the litigation in Docket No. R2005-1 at the request of the Commission's Office of the Consumer Advocate and pre-dates any statutory reporting obligations to the Commission. There may be frustration on the part of bulk mailers who embrace more granular data that the Postal Service does not publish both reports on its own website. The Postal Service must weigh this frustration against the fact that publication of service performance reports at different levels of granularity (general vs. regulatory) on the same site could confuse more readers than it helps.

The Postal Service does not view Order No. 2336 as an assertion of authority by the Commission to manage the format and content of www.usps.com. Accordingly, the Postal Service does not consider that it is obliged here to defend the manner in which it exercises its broad discretion to communicate service standard and service performance data to the public independently of the requirements of 39 U.S.C. §§ 3652 and 3691, or its 39 C.F.R. Part 3055 obligations. The Postal Service is always interested in customers' views on such matters and, independently of this docket, shall take the concerns expressed by PostCom *et al.* under advisement.⁹⁴ The Postal Service provides many members of the bulk mailing industry with granular data specific to their own mailings that may be used to interpret service performance. In relatively recent meetings to explain the nature of the proposed service performance measurement system changes to Full-Service Intelligent Mail Barcode users who have access to such account-specific data, the Postal Service found that there is less than universal understanding of the breadth and depth of such data by some who access it.

⁹⁴ The Commission has broad discretion to manage the format and content of its website -- www.prc.gov. Accordingly, the Postal Service respectfully defers to the Commission regarding the suggestion (PostCom *et al.* Comments at 15) that the display of service performance reports on its website be reformatted.

The Postal Service will continue to explore ways of improving such customer awareness.

2. Frequency of Service Performance Reports.

PostCom *et al.* also suggest changes in the frequency of service measurement reporting by the Postal Service. Finding quarterly reporting under 39 C.F.R. Part 3055 to be deficient, they argue that monthly reporting “would more effectively drive USPS service improvements by providing . . . a closer look at service performance over a shorter period.”⁹⁵ Such a proposal ignores the limited scope of the instant docket and is founded on the flawed premise that the Postal Service relies primarily on quarterly reporting to the Commission to drive service improvements..

The frequency of service performance measurement reporting is governed by Commission regulations published at 39 C.F.R. Part 3055. If and when the Commission initiates a notice-and-comment rulemaking to explore changes in reporting frequency, the Postal Service and interested parties will have the benefit of an examination of specific proposed amendments to current rules and an opportunity to comment on whether such proposals fall under the Commission’s statutory authority. In such a context, parties can explore and comment on the significant qualitative changes that would need to be implemented and costs associated with a measurement system designed to generate statistically valid *monthly* (as opposed to quarterly) data. The connection between the Commission’s need to perform an *annual* compliance determination and the generation of *monthly*, rather than quarterly reports also could be debated. Such a rulemaking also would be the appropriate forum for debunking the

⁹⁵ *Id.* at 16.

misguided implication⁹⁶ that quarterly service performance reports currently generated to meet the requirements of 39 C.F.R. Part 3055 serve as either the exclusive or primary source for postal management's evaluation and diagnosis of daily operations and attention to service levels.

B. Costs of Implementing the Proposed Service Performance Measurement System.

While acknowledging criticism of the current EXFC system due to its "costly" nature, the Public Representative expresses concern regarding uncertainty related to the costs associated with the Postal Service's proposed service performance measurement system.⁹⁷ Specifically, the Public Representative cites concerns regarding the Postal Service's alleged omission of an estimate of nonrecurring internal costs involving the "time that the Postal Service personnel spends on implementation of the Postal Service Plan."⁹⁸ The Postal Service considers its response to Question 3 of Chairman's Information Request No. 1 to have sufficiently addressed this issue. The fact that multi-tasking Postal Service managers, statisticians, attorneys, and mail processing and delivery operations specialists involved in implementation of the proposed Service Performance Measurement plan are not subject to strict project-specific timekeeping does not mean that their costs are being "hidden." Importantly, the Postal Service has not justified its proposed service performance measurement system on the basis of cost savings. However, with respect to the Public Representative's concerns regarding nonrecurring costs, in its response to Chairman's Information

⁹⁶ *Id.*

⁹⁷ PR Comments at 11-14.

⁹⁸ *Id.*

Request No. 1, Question 3, the Postal Service provided information regarding nonrecurring costs, including those associated with field training, project management, and external vendor operations.⁹⁹ As recognized by the Public Representative, the new system, if approved, will be subject to the cost calculation and reporting requirements of 39 U.S.C. § 3652(a)(1) and 39 C.F.R. § 3050,¹⁰⁰ and the transparency triggered by these reporting requirements will offer significant opportunities for public scrutiny of the costs attributable to the proposed service performance measurement system, insofar as such costs can be measured.

C. The Responsibility To Ensure Accurate Collection Box Labels is Unrelated To Service Performance Measurement

At page 9 of his opening comments, Mr. Carlson notes that the collection time posted on each collection box may not match the last pickup within the CPMS system, and he asserts that external measurement is necessary to ensure that the correct time is posted on the collection box. Accuracy of pickup time information on collection box labels is an important responsibility supervised by the Vice President of Delivery Operations. It is one of many important responsibilities of postal management outside the scope of the design of the new service performance measurement system, and unrelated to whether service performance measurement is achieved through “internal” or “external” methods, within the meaning of 39 U.S.C. § 3691(b). Delivery Operations takes the responsibility seriously, and is planning routine annual reviews, including one

⁹⁹ United States Postal Service Response to Chairman’s Information Request No. 1, Question 3, Docket No. PI2015-1 (March 31, 2015).

¹⁰⁰ PR Comments at 14.

scheduled in the months ahead, to validate that the last pickup time posted on the collection box is correct.

D. National Newspaper Association Concerns Related to Measuring Service Performance of Periodicals.

The National Newspaper Association (NNA) filed comments expressing general support for the Postal Service's proposed service performance measurement system, and identifying the potential improvement to service measurement for rural areas that could result from adoption of the proposed system.¹⁰¹ In addition to expressing general support, the NNA comments address issues that are important to NNA but have no direct relationship to the issues under consideration in this docket. These issues fall outside the scope of this docket, and thus it would be inappropriate to address them in these reply comments. However, clarification of one of NNA's representations is necessary.

NNA states that in Docket No. RM2010-11, the Commission "asked for another special study within five years to determine whether the use of all Periodicals data was a suitable proxy for more direct measurement,"¹⁰² suggesting that the Commission ordered and required the Postal Service to conduct a special study. But the language of the Commission's order demonstrates that the Commission offered a non-binding suggestion that the Postal Service "look into the feasibility of" a special study.¹⁰³

With respect to other topics included in the NNA's comments, the joint efforts of NNA and the Postal Service to provide visibility for newspaper Periodicals will be more

¹⁰¹ NNA Comments at 1-2.

¹⁰² *Id.* at 4.

¹⁰³ Order Concerning Postal Service Request for Semi-Permanent Exceptions from Periodic Reporting of Service Performance Measurement, Order No. 531, Docket No. RM2010-11, at 11 (September 3, 2010).

effective if pursued outside of this docket, and the Postal Service intends to continue its participation in these efforts. Similarly, the Postal Service will consider NNA's request for a Rural Mail Report, which has no direct relation to the issues under review in this docket and is outside the context of this docket.

CONCLUSION

The Postal Service expects the proposed service performance measurement plan to be implemented in a manner that will generate data sufficient to meet the Commission's regulatory obligations. The Postal Service urges the Commission, at an appropriate juncture in these proceedings, to approve the proposed Service Performance Measurement plan.

Respectfully submitted,

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May 18, 2015