

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

ANNUAL COMPLIANCE REVIEW, 2014

Docket No. ACR2014

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3, 5 OF CHAIRMAN'S INFORMATION REQUEST NO. 17

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 17, issued on May 11, 2015. Each question is stated verbatim and followed by the response. The response to Question 4 is still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 17**

1. Please refer to Table 9, "Performance Report Differences in OSHA I&I Rate Values for Same Fiscal Years Presented" in the Commission's *Review of Postal Service FY 2013 Performance Report and FY 2014 Performance Plan*.¹ In the Performance Reports from fiscal years 2010 through 2012, the FY 2010 actual OSHA I&I Rate was 5.49. By contrast, in the FY 2013 Performance Report, the FY 2010 actual OSHA I&I Rate was reported as 5.76. Please explain why these numbers differ.

RESPONSE:

The OSHA I&I rate is a live statistic. The calculation tracks "recordable" accidents and exposure hours. A recordable accident is one in which the employee required medical treatment, days away from work, or the need for restricted duty. When the OSHA I&I rate is initially reported, it takes a snap shot in time showing the current status of each recordable accident. Each time the rate is recalculated, it updates to reflect changes in the OSHA recordability of each accident. This means that if the rate increases, it can be the result of an originally "non-recordable" accident subsequently resulting in medical care, time away from work or restricted duty. It could also be that accidents were reported for that year, after the close of the fiscal year. An example of that would be an accident that occurred on September 30 but that was not filed until October 1. When the calculation is rerun, it pulls the accident date range for the fiscal year. Since the accident occurred in one fiscal year but was reported in another, it would be credited in the fiscal year of the accident and not the report date.

¹ Docket No. ACR2013, Postal Regulatory Commission, Review of Postal Service FY 2013 Performance Report and FY 2014 Performance Plan, July 7, 2014, at 29.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 17**

2. Please refer to the results table on page 39 of the FY 2014 Annual Report.
- a. The FY 2014 Annual Report states that the FY 2012 target for the OSHA I&I Rate was 5.57. FY 2014 Annual Report at 39. By contrast, the FY 2012 Annual Report showed the FY 2012 target for the OSHA I&I Rate as 5.72.² Please explain the discrepancy between these two numbers.
 - b. In the FY 2012 Annual Report, the FY 2011 actual OSHA I&I Rate was 5.67. *Id.* By contrast, in the FY 2014 Annual Report, the FY 2011 actual OSHA I&I Rate is shown as 6.03. FY 2014 Annual Report at 39. Please explain the discrepancy between these two numbers.
 - c. In the FY 2012 Annual Report, the FY 2012 actual OSHA I&I Rate was 5.44. FY 2012 Annual Report at 34. By contrast, in the FY 2014 Annual Report, the FY 2012 actual OSHA I&I Rate is shown as 5.78. FY 2014 Annual Report at 39. Please explain the discrepancy between these two numbers.

RESPONSE:

a. The FY 2012 target was erroneously listed as 5.57 in the FY 2014 Annual Report. The target should have been listed as 5.72, as reported in the FY 2012 Annual Report.

b.-c. The reported rates can change over time, for the reasons explained in response to Question 1 of this Information Request.

² United States Postal Service, *Progress and Performance: Annual Report to Congress 2012*, at 34 (FY 2012 Annual Report).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN’S INFORMATION REQUEST NO. 17**

3. The Postal Service provided the FY 2014 Cross-Portfolio Key Performance Metrics results in Response to a CHIR.³ The FY 2014 results show a reduction of approximately 7.7 million workhours between FY 2013 and FY 2014. *Id.* However, the grand total of workhours from the National Workhours Report shows a reduction of just under 3 million workhours between FY 2013 and FY 2014.⁴ Please resolve or explain why the workhour reductions between FY 2013 and FY 2014 show different results between these two sources.

RESPONSE:

Two distinct factors provide the explanation.

First, in the March 11 response to Question 1 of ChIR No. 13, the entries in the row for Metric Number 3 did not match the final validated numbers from the Finance team. The change below reflects the final validated numbers:

Metric	Description	Planned	Actual	FY2014 Variance
3	Total work hours reduced	24,000,000	6,670,265	(17,329,735)

Second, the Cross-Portfolio Key Performance Metrics table reports results from the various DRIVE initiatives. Therefore, with respect to Metric 3, the “Total work hours reduced” is actually a reference only to the Network Rationalization initiative. The Network Rationalization initiative impacted specific functions (mainly Function 1 and certain LDCs within Function 3B). The actual hours within

³ United States Postal Service Responses to Questions 1-5, 12-14, 26, 27, and 31-33 of Chairman’s Information Request No. 13, March 11, 2015, question 1 (March 11 Responses to CHIR No. 13).

⁴ Responses of the United States Postal Service to Questions 6 and 7 of Chairman’s Information Request No. 5, February 18, 2015, question 7, Excel file “ChIR 5 Q 7 NWHR,” cell E187 (Responses to CHIR No. 5).

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 17**

the functions targeted were significantly under SPLY for the year, and totaled to 6.7M hours of Network Rationalization savings. However, the organization overran SPLY in several other functions that have no impact on Network Rationalization (mainly Function 2A, Function 2B, Function 3A, and Function 7). Consequently, taking account of both the workhour savings from Network Rationalization and the workhour overruns elsewhere, the grand total net reduction of all the hours in NWRS for FY 14 is roughly 3M hours, as shown in the previously provided National Workhours Report file. For the functions targeted by the Network Rationalization initiative, however, 6.7M hours of workhour savings were achieved.

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO CHAIRMAN'S INFORMATION REQUEST NO. 17**

5. The number of Point of Sale (POS) surveys completed in each FY 2014 quarter varies substantially.⁷
- a. Do the POS survey results in each quarter of FY 2014 meet the Postal Service's precision level at the:
 - i. National level?
 - ii. Postal Area level?
 - b. Please explain why the number of completed POS surveys varies to the extent that they do between Quarters 1 and 4 of FY 2014.

RESPONSE:

- a. Yes the level of precision is met at the National and Area level. The precision level is 95 percent +/- .01 percent at the National level per month, and approximately 95 percent +/- 3 percent at the Area level per Quarter.
- b. The increased response rate of the POS Surveys is directly correlated to the increased effort and focus of Postal Service employees to engage the customer and identify the opportunity. The use of QR Codes, and Postal Service employee initiatives to circle the URL on the POS receipt, have generated substantial increases in customer responses to the POS survey.

⁷ See Further Nonpublic Material Provided in Response to Chairman's Information Request No. 13, question 27, Library Reference USPS-FY14-NP40, March 17, 2015.