

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Service Performance Measurement
Systems For Market Dominant Products

Docket No. PI2015-1

REPLY COMMENTS OF DOUGLAS F. CARLSON

May 15, 2015

In my opening comments,¹ I exposed a fundamental flaw in the Postal Service's proposed new service performance measurement system for single-piece First-Class Mail: Postal employees and managers will know which mail is potential test mail and which mail is not potential test mail.² I explained that a system in which employees can identify which mail could be test mail and which mail is not test mail would not constitute an "objective" performance measurement system within the meaning of 39 U.S.C. § 3691(b)(1)(D).

In opening comments, The Association for Postal Commerce, IDEAlliance, and the National Association of Presort Mailers suggest, "Because the measurement processes proposed by the Postal Service for Single Piece First-Class Mail entirely replace the existing EXFC process and include a complex set of sampling and scanning processes, we highly recommend that the USPS run both measurement systems in parallel for a sufficient period of time to ensure that the new measurement processes accurately return the same performance data or

¹ Opening Comments of Douglas F. Carlson, filed April 1, 2015.

² More precisely, for collection mail, employees and managers will know which *containers* may contain test mail and which containers may not, or definitely will not, contain test mail. In addition, by choosing which mail to scan, employees will determine which mail is the test mail. For delivery, employees will know which mail is the test mail.

better than the established EXFC process does.”³ The National Postal Policy Council suggests that, “if the Commission approves any new system, it should require the Postal Service to operate the new system concurrently with the current system for a period of time sufficient to assess whether the two systems achieve the same measurements.”⁴

These organizations’ suggestions are good to the extent that they would help to validate the statistical and sampling methodologies of the new system. Moreover, as long as EXFC is operating, most mail visible to employees and managers could be test mail, so the new system could be objective. However, these suggestions miss the larger point about objectivity. Once the EXFC system is retired, postal employees and managers operating under the new system will know which mail is potential test mail and which mail is not potential test mail, so the new system will lose its objectivity. Thus, while the idea of operating the two systems side by side during implementation is appealing at first glance, this approach cannot validate the new system as objective. A state in which both systems are operating side by side will be very different from a state in which only the new system is operating. Once EXFC is gone, the objectivity will be gone, too.

In its opening comments,⁵ the American Postal Workers Union (APWU) raises many of the concerns that I did and, in some cases, expands upon them. I agree with the APWU’s comments. In particular, the APWU is correct that independent third-party auditing is critical to the public trust.⁶ Particularly as the Postal Service dismantles infrastructure and slows mail delivery, the public must be able to trust information about service performance.

³ Comments of the Association for Postal Commerce, IDEAlliance, National Association of Presort Mailers at 2, filed April 8, 2015.

⁴ Reply Comments of the National Postal Policy Council at 2, filed May 5, 2015.

⁵ Initial Comments of the American Postal Workers Union, AFL-CIO, filed April 8, 2015.

⁶ *Id.* at 1–5.

The EXFC system is known as an external measurement system because the measurement system is external to the Postal Service. However, the public obtains information from EXFC only from the Postal Service. The Postal Service conceivably could manipulate EXFC data before publishing it. The Postal Service already determines the level of detail for EXFC data that it discloses, and the agency refuses to disclose data at the level of detail that some mailers or members of the public would like. In the future, Congress and the Commission should consider whether a performance measurement system should be *administered* externally. This role might be ideal for a regulatory body such as the Commission.

For now, EXFC is all we have, and the public can derive some trust and confidence from the knowledge that an external contractor operates the system. The Commission should not allow the Postal Service to replace EXFC with an exclusively internally managed and controlled performance measurement system. Such an internal performance measurement system would not be “objective” within the meaning of 39 U.S.C. § 3691(b)(1)(D) because an objective system is operated in a disinterested manner, without actual or conceivable motivation or opportunity for bias in measurement of service or dissemination of results.

Respectfully submitted,

Dated: May 15, 2015

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