

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

SERVICE PERFORMANCE MEASUREMENT
SYSTEMS FOR MARKET DOMINANT PRODUCTS

Docket No. PI2015-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 2 THROUGH 6
OF CHAIRMAN'S INFORMATION REQUEST NO. 6**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 6, issued on November 18, 2015. Each question is stated verbatim and followed by the response. The response to question 1 is forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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- 2. On pages 12-15 of the Statistical Design Plan, the Postal Service discusses the methodology for calculating the carrier sampling profile.**
- a. Please list the 3-digit ZIP Codes (and corresponding District) that will be excluded from the Carrier Sampling process.**
 - b. Describe the methodology used to determine the “configurable number of letters and flats” sampled at collection points.**
 - c. Further explain the terms “FPO1” and “FPO2.”**
 - d. What is the estimated percentage of FPO2 mail volume for FY 2016 (FPO2/(FPO1+FPO2))?**
 - e. How will the Postal Service ensure the appropriate sample size of FPO2 mail?**

RESPONSE

- a. Please see the response to ChIR 4, Question 7(a).
- b. To determine the configurable number of letters and flats to sample at collection points, IBM conducted analysis of External First-Class (EXFC) measurement system data from Fiscal Year (FY) 2015 Quarter 2 to determine the intra-cluster correlation in First Mile performance between test pieces inducted into the same collection point at the same time. The purpose of this analysis was to measure the information gained from more than one piece mailed from the same location. The results indicated that intra-cluster correlation of time in First Mile between pieces mailed from the same collection point is very high, meaning that the information gained about First Mile from multiple pieces is relatively low. These results led to the selection of 5 letters and 2 flats as initial targets from each sampled collection point. These numbers were chosen based on operational feasibility and to balance the risk that some scanned pieces may not be measurable. Data will be analyzed periodically to examine the intra-cluster

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correlation and the proportion of scanned pieces which were measurable.

This analysis will inform decisions about whether changes to the configurable targets are required.

- c. First Processing Operation Grouping 1 (FPO1) is the set of all outgoing processing operations. These represent the expected first processing operations on mail processing equipment for single-piece mail. First Processing Operation Grouping 2 (FPO2) is the set of all other processing operations. Operations in FPO2 are not generally expected to be the first processing operation on mail processing equipment for single-piece mail.
- d. The Postal Service cannot estimate the percent of FPO2 mail for Postal FY 2016. Analysis from barcoded single-piece letter and flats test pieces from the EXFC measurement system from FY 2015 indicated that about 1 percent of those pieces fell into FPO2 group.
- e. There is no required target sample size for FPO1 versus FPO2 mail. First Mile profile calculations will be conducted at the district, sampling group, collection date, and FPO grouping level; aggregated results across FPO groupings will be weighted by the proportion of single-piece processing duration volumes that each FPO grouping represents.

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- 3. On page 15 of the Statistical Design Plan, the Postal Service states: “[t]he proposed solution for First Mile measurement of single-piece mail entered at retail locations is to leverage all Point of Sale (POS) scan data for First-Class Mail with Special Services, such as Certified Mail.” For FY 2016, what is the estimated percentage and volume of retail-entered First-Class Mail that will have a First Mile measurement based on Special Services scans?**

RESPONSE

The Postal Service has not developed an estimate of the percentage and volume of FY 2016 retail-entered First-Class Mail that will have a First Mile Measurement based on Special Services scans. The Postal Service can report that in FY 2015, there were approximately 60 million First-Class Mail letters, cards, and flat-shaped pieces with Special Services having a retail acceptance event. This volume represented about 1 percent of the approximate 6.3 billion single-piece First-Class Mail letters, cards, and flats estimated to have been accepted over the retail counter or loading docks. To compute the latter estimate, the Postal Service used data from the 2013 Mail Source Study indicating that approximately 29 percent of such mail was accepted over the retail counter or at a loading dock.

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- 4. Please confirm that the configurable maximum number of pieces at a given delivery point is 5 to 7 pieces per sampling group. If not confirmed, please explain what the expected configurable maximum number of pieces will be for a given sampling group.**

RESPONSE

There is no configurable maximum number of pieces per sampling group at a given delivery point. The configurable maximum number of pieces to scan is established at the overall delivery point level for total pieces scanned. The number of pieces scanned for each sampling group is expected to vary across delivery points.

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5. On page 19 of the Statistical Design Plan, the Postal Service lists the seven sampling groups for Last Mile sampling: (1) Single-Piece and Presort First-Class Mail Flats; (2) Periodicals Letters and Flats; (3) Presort First-Class Mail Letters/Cards; (4) Single-Piece First-Class Mail Letters/Cards-Remittance and Reply Mail; (5) Single-Piece First-Class Letters/Cards – All Other; (6) Standard Mail and Bound Printed Matter Flats; and (7) Standard Mail Letters/Cards. Please explain the difference between the Standard Mail included in sampling group six and in sampling group seven.

RESPONSE

Sampling group 6 includes only Standard Mail Flats. The sampling group name may be better represented as “Standard Mail *Flats* and Bound Printed Matter Flats”. Sampling group 7 includes Standard Mail letters and cards as stated.

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6. On page 27 of the Postal Service Plan, the Postal Service states: “randomly-selected delivery point sample requests will be encrypted and transmitted to mailpiece scanning devices of postal delivery and box section personnel, where they will lay dormant until, for example, a letter carrier breaches the geo-fences surrounding a delivery point identified in the encrypted message.”
- a. Please confirm that every delivery point may potentially receive a prompt from the device.
 - b. What is the radius of the “geo-fence” surrounding a delivery point?
 - c. Does the geo-fence radius/size change according to delivery point? If confirmed, please explain.

RESPONSE

- a. Delivery points will be randomly selected for sampling with probability proportional to the number of pieces expected to be delivered to a given delivery point on the sampling date. Delivery points with higher total expected mailpieces have a higher probability of being selected; however, every active delivery point is eligible for sampling each day and has a positive chance of being selected, regardless of whether any mailpieces are expected.
- b. The radius differs based on the type of delivery point and is configurable. The Postal Service is continuing to research the optimum radius and refine the radius based on sampling data.
- c. Confirmed. The geo-fence radius differs based on the type of delivery point. Currently, for Cluster Box Units and central delivery points, the radius is 75 meters. For all other delivery point types for which the center

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of property coordinates are available, the radius is the distance between the center of street and center of property plus 5 meters, or 20 meters, whichever is greater; if the center of property coordinates are not available, the radius is 60 meters.