

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2015

Docket No. ACR2015

CHAIRMAN'S INFORMATION REQUEST NO. 15

(Issued February 18, 2016)

To clarify the Postal Service's FY 2015 Annual Performance Report (FY 2015 Report) and FY 2016 Annual Performance Plan (FY 2016 Plan),¹ the Postal Service is requested to provide written responses to the following requests. Answers should be provided to individual requests as soon as they are developed, but no later than February 25, 2016.

Ensure a Safe Workplace and Engaged Workforce

1. In its FY 2014 Annual Report, the Postal Service states that the Voice of the Employee (VOE) survey participation rate for non-career employees was over 70 percent.² Please provide:
 - a. The FY 2014 overall VOE survey participation rate (including career and non-career employees);
 - b. The FY 2014 VOE survey participation rate for career employees;

¹ The FY 2015 Report and FY 2016 Plan are included in the United States Postal Service 2015 Annual Report to Congress (FY 2015 Annual Report). See Library Reference USPS-FY15-17, December 29, 2015, at 11-28.

² United States Postal Service 2014 Annual Report to Congress at 40; see Docket No. ACR2014, Library Reference USPS-FY14-17, December 29, 2014.

- c. Reasons for any differences in the VOE survey participation rates between career and non-career employees in FY 2014; and
 - d. The time periods during FY 2014 the VOE survey was administered.
2. Please provide the following information:
 - a. The FY 2015 Postal Pulse survey response rate for career employees;
 - b. The FY 2015 Postal Pulse survey response rate for non-career employees;
 - c. Reasons for any differences in the Postal Pulse survey response rates between career and non-career employees in FY 2015; and
 - d. The time periods during FY 2015 the Postal Pulse survey was administered.
3. In its responses to CHIR No. 3, the Postal Service states, “Because [t]he Postal Pulse is purely a measure of Employee Engagement (as compared with the VOE, which measured engagement and satisfaction), the scores cannot be directly compared.³ However, in the FY 2015 Annual Report, the Postal Service states that for the FY 2015 Postal Pulse survey, “[t]he grand mean engagement score result was 3.16 on a scale of 1 to 5. These results equate closely to the overall response rate and favorability ratings of our FY2014 end-of-year VOE survey results.” See FY 2015 Annual Report at 19.
 - a. Please elaborate on how the Postal Pulse survey results “equate closely to the overall response rate and favorability ratings” of the FY 2014 end-of-year VOE survey results. In the response, please provide the

³ Responses of the United States Postal Service to Questions 1-6 of Chairman’s Information Request No. 3, January 21, 2016, question 5c.

referenced “overall response rate and favorability ratings” of the FY 2014 VOE end-of-year survey results.

- b. Please specify which Postal Pulse and VOE survey questions were used to determine the favorability ratings. In the response, please explain which Postal Pulse survey questions “equate closely” to the VOE survey questions.
- c. Please explain how the FY 2014 end-of-year VOE survey results differ from VOE survey results from other time periods during FY 2014.

Sustain Controllable Income

4. Please refer to Library Reference USPS–FY15–33, December 29, 2015, Excel file “DeliveryPointsFY2015.xlsx,” tab “Notes.” The “Notes” tab states, “[i]n fiscal year 2014, the Postal Service began reporting residential and business sidewalk delivery points under their own categories titled ‘Active Res Sdwk’ and ‘Active Bus Sdwk’ respectively. In addition, there is a new tab titled ‘Sdwk,’ which reports the number of potential residential and business sidewalk delivery points.” However, the delivery point numbers in the “Sdwk” tab are identical to the delivery point numbers in the “Beginning FY 2015” and the “End FY 2015” tabs.
 - a. Please explain how the “Sdwk” tab reports the number of potential residential and business sidewalk delivery points. Please provide an updated Excel file if necessary.
 - b. Does the “End FY 2015” tab contain auxiliary routes delivery points? If not, please explain why not and file a revised FY 2015 delivery points file that includes auxiliary routes delivery points.

- c. Please explain why the total number of delivery points in Library Reference USPS–FY15–33 increased by about 2.5 million delivery points from FY 2014 to FY 2015.⁴
 - d. Please reconcile the differences between the total number of delivery points in Library Reference USPS–FY15–33 and the total number of delivery points in the FY 2015 Annual Report, which shows a smaller increase of about 1.06 million delivery points between FY 2014 and FY 2015. See FY 2015 Annual Report at 26.
5. In Docket No. ACR2014, the Postal Service stated that the FY 2015 target for new centralized delivery points is 112,721.⁵
 - a. Please provide the number of new centralized delivery points in FY 2015.
 - b. Please provide the FY 2016 target for new centralized delivery points. If the Postal Service did not set a FY 2016 target, please explain why.
6. In Docket No. ACR2014, the Postal Service stated that the FY 2015 target for the number of existing door-to-door delivery points converted to centralized delivery is 81,988. *Id.* question 15b.
 - a. Please provide the number of existing door-to-door delivery points converted to centralized delivery during FY 2015.
 - b. Please provide the FY 2016 target for the number of existing door-to-door delivery points converted to centralized delivery. If the Postal Service did not set a FY 2016 target, please explain why.

⁴ Compare Library Reference USPS-FY15-33, Excel file “DeliveryPointsFY2015.xlsx,” tab “End FY 2015” with Docket No. ACR2014, Library Reference USPS-FY14-33, Excel file “DeliveryPointsFY2015.xls,” tab “End FY14.”

⁵ Docket No. ACR2014, United States Postal Service Responses to Questions 8, 11, and 15-19 of Chairman's Information Request No. 13, March 19, 2015, question 15c.

7. In FY 2015, the Postal Service states it “achieved a total of 122,025 voluntary conversions — 86,268 residential and 35,757 business.” FY 2015 Report at 48.
 - a. Please break down the 86,268 residential delivery points by delivery type before conversion (e.g., curblin, sidewalk, door-to-door) and after conversion.
 - b. Please break down the 35,757 business delivery points by delivery type before conversion (e.g., curblin, sidewalk, door-to-door) and after conversion.

Other Topics

8. In FY 2013, the Postal Service used three non-public performance indicators for competitive products (Priority Mail, Express Mail, and Parcel Select) to evaluate progress toward the Deliver High-Quality Services performance goal.⁶
 - a. Please confirm that the Postal Service continues to use competitive products as performance indicators for the Deliver High-Quality Services performance goal.
 - b. If confirmed, please provide FY 2015 results and FY 2016 targets for the competitive products performance indicators.
9. The Postal Service anticipates “that the remainder of the consolidations associated with this phase of our realignment plan [that began in January 2015] may impact the 21 partially consolidated facilities plus an additional 44 processing facilities that have been unaffected so far.” FY 2015 Annual Report at 21.

⁶ Docket No. ACR2013, Review of Postal Service FY 2013 Performance Report and FY 2014 Performance Plan, July 7, 2014, at 7 n.15. In FY 2013, the Delivery High-Quality Services goal was called “Service (% on-time).”

- a. Please specify how the 21 partially consolidated facilities and additional 44 processing facilities will be impacted.
 - b. Please also discuss whether and how the remainder of the consolidations may impact service, mail entry, customers, and products.
 - c. The Postal Service announced it would defer network consolidations to 2016.⁷ Please provide the schedule for the remaining network consolidations. If a schedule has not been developed, please explain when the Postal Service anticipates setting the schedule.
10. Please refer to the FY 2016 Cross-Portfolio Performance Indicators in the Responses to CHIR No. 9, question 6.⁸ Please provide a crosswalk linking each FY 2016 strategic initiative (Responses to CHIR No. 9, question 5b.) to the corresponding FY 2016 Cross-Portfolio Performance Indicator.

By the Acting Chairman.

Robert G. Taub

⁷ See <http://about.usps.com/news/electronic-press-kits/our-future-network/welcome.htm>.

⁸ Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 9, February 11, 2016 (Responses to CHIR No. 9).