

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

Annual Compliance Report, 2015

Docket No. ACR2015

CHAIRMAN'S INFORMATION REQUEST NO. 22

(Issued November 1, 2016)

The Commission directed the Postal Service to “provide a detailed, comprehensive plan to improve service performance for First-Class Mail Single-Piece Letters/Postcards.”¹ The response divided the general flow of First-Class Mail Single-Piece Letters/Postcards from collection to delivery into five parts, described several measurement systems including helpful databases and substantive reports (indicators), and explained the type of information contained in and resulting from those databases and reports.²

In a few instances, the Postal Service described how those databases and reports would be used by the Postal Service as part of its service performance improvement plan. See Response at 17. The balance of the Response, however, did not discuss how the Postal Service would use the databases or reports to form a “detailed, comprehensive plan to improve service performance for First-Class Mail Single-Piece Letters/Postcards.” FY 2015 ACD at 138. The following questions identify parts of the Response that did not “provide a detailed, comprehensive plan to improve service performance for First-Class Mail Single-Piece Letters/Postcards.” *Id.*

¹ Docket No. ACR2015, Annual Compliance Determination Report, March 28, 2016, at 138 (FY 2015 ACD).

² Second Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, Service Improvement Plan, June 27, 2016 (Response).

The following questions use the terms “indicator” to mean the measurement system, “threshold” to mean the level or point for determining service performance failures, and “corrective plan” to mean the remedial action taken by the Postal Service as a result of the threshold.³ For example, the Postal Service discusses the indicators, details two thresholds of service performance failure, and describes the corrective plans triggered with respect to destination processing. See Response at 17. Specifically, the Postal Service states that if destination processing reports (indicator) indicate that a facility has multiple occurrences of on-hand volumes at 15:00 (threshold), that facility must take the following remedial actions: identify the root cause of failure, generate solutions, and document the improvement process for Headquarters (corrective plan). See *id.* Also, the Postal Service states that if destination processing reports (indicator) indicate that a facility reported zero on-hand volume, but had late primary processing after 15:00 on the day before delivery (threshold), that facility must remediate the destination processing failure by addressing the discrepancy (corrective plan). See *id.*

The Postal Service is requested to provide a written response to the following questions by November 15, 2016. The Postal Service is encouraged to file a motion for clarification under 39 C.F.R. § 3001.21(a) should additional clarification be necessary.

1. The Postal Service describes using the zero bundle review to minimize collection delays. Response at 4.
 - a. Please confirm that the Postal Service uses a threshold to determine collection delays based on data from the zero bundle review (such as the number and frequency of zero bundles).
 - b. If confirmed, please describe:
 - i. Each threshold that will trigger remedial action, and

³ The Commission’s use of the singular form of these terms includes the plural form (when applicable) and the use of the plural form of these terms includes the singular (when applicable).

- ii. The corrective plan triggered by each threshold (specifically, what action is taken to remediate collection delays).
 - c. If the Postal Service does not use a threshold to determine collection failures but intends to develop a threshold, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold based on the Zero Bundle Review data and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 2. The Postal Service describes that it generates daily and weekly trend reports related to 24-hour processing clock metrics. *Id.* at 5.
 - a. Please confirm that the Postal Service uses a threshold to determine origin processing failure based on data from these reports (such as a particular number and frequency of consecutive reports trending downward).
 - b. If confirmed, please describe:
 - i. Each threshold that will trigger remedial action,
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,

- iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this origin processing failure), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
 - c. If the Postal Service does not use a threshold but intends to develop a threshold, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold to determine origin processing failure based on these reports and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold of origin processing failure based on these reports, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 3. The Postal Service states that it “uses data from the Mail History and Tracking System (MHTS) to generate and distribute ‘Outgoing Primary/Secondary Clearance’ reports.” *Id.* at 6.
 - a. Please confirm that the Postal Service uses a threshold to determine origin processing failure based on these reports (such as a particular number and frequency of consecutive reports trending downward).
 - b. If confirmed, please describe:
 - i. Each threshold that will trigger remedial action,

- ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this origin processing failure), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
 - c. If the Postal Service does not use a threshold to determine collection failures but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold based on these reports and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 4. The Postal Service states that it promotes timely cancellations and origin processing by reviewing the volume arrival profile. *Id.*
 - a. Please confirm that the Postal Service uses a threshold to determine origin processing failure based on the volume arrival profile (such as a particular number and frequency of the volume arrival profiles trending downward).
 - b. If confirmed, please describe:

- i. Each threshold that will trigger remedial action,
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this origin processing failure), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
 - c. If the Postal Service does not use a threshold but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative indicator and threshold.
5. The Postal Service states “[i]n order to meet established clearance times, facilities must ensure that sortation equipment is utilized appropriately; therefore, the ‘Outgoing Machine Utilization vs. RPG report was developed.’” *Id.* at 7.
 - a. Please confirm that the Postal Service uses a threshold to determine origin processing failure based on this report (such as a particular number and frequency of the deviations from the RPG plan).
 - b. If confirmed, please describe:

- i. Each threshold that will trigger remedial action,
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this origin processing failure), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
 - c. If the Postal Service does not use a threshold to determine collection failures but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
6. The Postal Service states that service improvement teams are deployed to mail processing plants that do not meet outgoing clearance goals. *Id.* at 9. Please describe:
 - a. Each threshold to determine origin processing failure that will trigger remedial action,
 - b. How the Postal Service developed each threshold,

- c. Whether each threshold differs by postal administrative Area or District, or mail processing facility, and
 - d. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan (the deployment of service improvement teams to mail processing facilities that do not meet outgoing clearance goals).
- 7. The Postal Service describes a “rapidly expanding” pilot project to use “barcode scanning technology to identify the actual tender and retrieval of mail products from the air carrier locations.” *Id.* at 10.
 - a. Please confirm that the Postal Service intends to develop a threshold to determine failed handoffs between the Postal Service and air carriers based on this technology.
 - b. If confirmed, please detail:
 - i. Each proposed threshold (such as a particular number and frequency of failed handoffs between the Postal Service and air carriers that will trigger remedial action),
 - ii. The proposed corrective plan triggered by each threshold, and
 - iii. The timeframe for development of each proposed threshold.
 - c. If the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 8. The Postal Service states that it corrected a defect identified in the Postal Service’s review of its Transportation Optimization Planning System software “to ensure that automatically generated routings are service responsive.” *Id.* Please detail:

- a. What is meant by “routings [that] are service responsive,”
 - b. How the Postal Service determines if a routing is service responsive, and
 - c. The corrective plan triggered when the Postal Service determines a routing is not service responsive.
9. The Postal Service states that “routings are shifted to other providers if poor performance [of contracted air capacity] is demonstrated.” *Id.* at 11. Please detail:
 - a. The Postal Service’s indicator of poor performance by a provider (what measurement system is used to monitor poor performance), and
 - b. Each threshold that will trigger route shifting.
10. The Postal Service describes its efforts to “[a]lign air capacity with product types.” *Id.* Please detail:
 - a. Each threshold to determine air capacity gaps in the Postal Service network that will trigger remedial action,
 - b. How the Postal Service developed each threshold,
 - c. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - d. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan (aligning air capacity with product types).
11. The Postal Service states that it has identified “critical connections in the STC [Surface Transfer Center] network and implemented direct containerization to expedite handling of mail volume through the STC facility.” *Id.* Please describe:
 - a. Each threshold to determine transit failure that will trigger remedial action,
 - b. How the Postal Service developed each threshold,

- c. Whether each threshold differs by postal administrative Area or District, or mail processing facility, and
 - d. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan (the direct containerization to expedite handling of mail volume through the STC facility).
- 12. The Postal Service states that it “continues to utilize Surface Visibility (SV) scanning and the Transportation Information Management Evaluation System (TIMES) to identify and track late highway contract trips.” *Id.* at 11-12.
 - a. Please confirm that the Postal Service uses a threshold to determine transit delays based on these reports (such as a particular number and frequency of late highway contract trips).
 - b. If confirmed, please describe:
 - i. Each threshold that will trigger remedial action,
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate transit delays), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
 - c. If the Postal Service does not use a threshold but intends to develop one, please detail:
 - i. The proposed threshold,

- ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold based on transit delays and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 13. The Postal Service describes its efforts to develop a STC network optimization model. *Id.* at 12. Please provide a status update on this model's development, including:
 - a. A description of the type of data that this model will produce to help identify concentration points where mail can be consolidated,
 - b. A description of the type of data that this model will produce to help reduce overall equipment costs, and
 - c. The expected timeframe for when the model will be fully operational.
- 14. The Postal Service states that it uses the A3 Problem Solving template to analyze transit issues and identify and pilot solutions. *Id.* Please describe:
 - a. Each threshold to determine transit failure that triggers use of the A3 Problem Solving template,
 - b. How the Postal Service developed each threshold,
 - c. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - d. How the A3 Problem Solving template analyzes transit issues and identifies and pilots solutions, and

- e. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan (transit issues analysis and identification and piloting of solutions based on the A3 Problem Solving template).
15. The Postal Service states that “[n]ew CETs [Critical Entry Times] are being implemented during quarter 3 of FY 2016.” *Id.* Please provide the new CETs broken out by product and induction point.
16. The Postal Service describes that it is developing the Handling Unit Diagnostic System (HUDS) to better identify potential transit delays. *Id.* at 13.
 - a. Please confirm that the Postal Service intends to develop a threshold to determine transit delay based on HUDS.
 - b. If confirmed, please detail:
 - i. The proposed threshold that will trigger remedial action,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - c. If the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
17. The Postal Service states that “[r]eports from [the Customer Service Daily Reporting System (CSDRS)] provide actionable data for potential remediation or intervention by every level of postal management.” *Id.* at 19.
 - a. Please confirm that the Postal Service uses a threshold to determine delivery failure based on CSDRS reports (such as an increase in delayed mail volumes).

- b. If confirmed, please describe:
 - i. Each threshold (such as the number and frequency of delayed mail volume that will trigger remedial action),
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility, and
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this delayed mail).
 - c. If the Postal Service does not use a threshold but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
18. The Postal Service states that it uses the MHTS report “to identify trends and/or high amounts of looping pieces for a particular office or carrier route.” *Id.*
- a. Please confirm that the Postal Service uses a threshold to determine delivery failure based on the MHTS report (such as an increase in looping pieces).
 - b. If confirmed, please describe:

- i. Each threshold (such as the number and frequency of looping pieces that will trigger remedial action),
 - ii. How the Postal Service developed each threshold,
 - iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility, and
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this failure).
 - c. If the Postal Service does not use a threshold to determine collection failures but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 19. The Postal Service states that it uses the MHTS Pre-M tool to “provide[] detail on out-of-sequence errors caused by events during delivery point sequencing.” *Id.*
 - a. Please confirm that the Postal Service uses a threshold to determine delivery failure based on the MHTS Pre-M report (such as an increase in out-of-sequence errors).
 - b. If confirmed, please describe:
 - i. Each threshold that will trigger remedial action,
 - ii. How the Postal Service developed each threshold,

- iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility, and
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this failure).
 - c. If the Postal Service does not use a threshold but intends to develop one, please detail:
 - i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
 - d. If the Postal Service does not use a threshold based on the MHTS Pre-M reports and the Postal Service does not intend to develop a threshold, please detail:
 - i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.
- 20. The Postal Service states that it uses the 3M Case “to return mis-sent, mis-sorted, and mis-sequenced mail found in [mail carriers’ Delivery Point Sequence] volume.” *Id.*
 - a. Please confirm that the Postal Service uses a threshold to determine delivery failure (such as an increase in mis-sent, mis-sorted, or mis-sequenced mail).
 - b. If confirmed, please describe:
 - i. Each threshold (such as the number and frequency of mis-sent, sorted, sequenced mail that will trigger remedial action),
 - ii. How the Postal Service developed each threshold,

- iii. Whether each threshold differs by postal administrative Area or District, or mail processing facility,
 - iv. The corrective plan triggered by each threshold (specifically what action is taken to remediate this failure), and
 - v. The level of Postal Service personnel (such as postal administrative Area or District, or mail processing facility leaders) responsible for overseeing the corrective plan.
- c. If the Postal Service does not use a threshold to determine collection failures but intends to develop one, please detail:
- i. The proposed threshold,
 - ii. The proposed corrective plan triggered by this threshold, and
 - iii. The timeframe for development of this proposed threshold.
- d. If the Postal Service does not use a threshold based on 3M Case data and the Postal Service does not intend to develop a threshold, please detail:
- i. The obstacles to developing a threshold, and
 - ii. A meaningful alternative means of determining when corrective action is necessary and what that action should be.

By the Acting Chairman.

Robert G. Taub