

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Annual Compliance Report, 2016

Docket No. ACR2016

PUBLIC REPRESENTATIVE NOTICE OF ERRATA

(February 16, 2017)

This Notice corrects page 8 of the Public Representative's comments filed on February 8, 2017.¹ The PR Comments state that "[t]aking into account that the Postal Service did meet the DPTWH target, the Public Representative finds that the Postal Service partially met its Sustain Controllable Income goal." PR Comments at 8. The Public Representative intended for the above-quoted sentence to read as follows: "Taking into account that the Postal Service did *not* meet the DPTWH target, the Public Representative finds that the Postal Service partially met its Sustain Controllable Income goal." The corrected version of page 8 is attached to this Notice.

Respectfully submitted,

/s/ Katalin K Clendenin_____

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¹ Public Representative Initial Comments on the FY 2016 Performance Report and FY 2017 Performance Plan, February 8, 2017 (PR Comments).

4. Sustain Controllable Income

To track financial performance results, the Postal Service uses two metrics – Deliveries per Total Work Hours (as a percent of the same period last year) and Controllable Income. FY 2016/17 Report & Plan at 15. In FY 2016, the actual net controllable income was \$610 million. *Id.* at 4. The target, of \$100 million was met. *Id.* at 15. In FY 2016, Deliveries per Total Work Hours (DPTWH), which replaced Deliveries per Hour, did not meet the FY 2016 target of 1.2 percent. *Id.* Actual DPTWH was significantly lower at 0.1 percent. *Id.* at 22. The Postal Service attributed the shortfall growth in work hours, specifically “a delay in plant consolidations, not capturing all of Network Rationalization phase 2 savings, utilization of additional work hours to improve service and additional hours from hiring, training and turnover rates for the non-career workforce.” *Id.*

In the FY 2016/17 Report & Plan, the Postal Service failed to provide comparable results for DPTWH for fiscal years 2013, 2014, and 2015. However, the Postal Service provided this information in its response to Chairman's Information Request No. 7, question 2.a. Based on that information, the Public Representative finds the target set for FY 2017 reasonable.

Taking into account that the Postal Service did not meet the DPTWH target, the Public Representative finds that the Postal Service partially met its Sustain Controllable Income goal. The Postal Service's explanation for the shortfall is sufficient.

B. Compliance with the Requirements of 39 U.S.C. §§ 2803 and 2804

The Public Representative finds that with the Postal Service satisfies the requirements of U.S.C. §§ 2803 and 2804.

1. The Performance Plan – Provisions of 39 U.S.C. § 2803

The Public Representative concludes that the Performance Plan meets the requirements of section 2803 of title 39.