

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

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 4-7 and 10 OF CHAIRMAN'S INFORMATION REQUEST NO. 14

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 14, issued on February 3, 2017. Each question is stated verbatim and followed by the response. Responses to Questions 1 and 11 were filed on February 10; responses to Questions 2, 3, 8, and 9 are still being prepared and will be filed at a later date.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing & Product Support

B.J. Meadows III

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1137
(202) 268-3009
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4. The Postal Service previously stated, “[a]s of September 30, 2015, the Postal Service employed 143,066 employees with less than two years of on-the-job experience.”¹ Please provide the number of employees employed by the Postal Service as of September 30, 2016, with less than two years of on-the-job experience.

RESPONSE:

155,938.

¹ Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-12, 16-18 of Chairman's Information Request No. 13, February 18, 2016, question 16.a.

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5. The Postal Service has previously stated that its FY 2016 performance target for average annual turnover rates for non-career hires was 34.8 percent.²
- a. Please provide the FY 2016 average annual turnover rate for non-career hires.
 - i. Please provide the FY 2016 annual turnover rate by each non-career employee category.
 - ii. Please discuss the most frequently cited causes for non-career employee turnover and the data source(s) used.
 - b. Please confirm that the Postal Service has set FY 2017 employee turnover or retention performance targets. If confirmed, please specify the target(s), the type of employee categories, and at what unit level the performance target(s) are set. If the FY 2017 employee turnover or retention performance targets are not at the corporate-wide level, please discuss the reasons for the unit-level(s) selected.

RESPONSE:

- a.
 - i. These are the FY 2016 annual turnover rates by non-career employee category.

CCAs	RCAs	MHAs	PSEs	Total
59.66	35.29	37.67	36.59	42.82

- ii. Most frequently cited causes for non-career employee turnover are lack of schedule flexibility, physical demands, and employee did not like supervisor.

² See Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 9, February 11, 2016, question 2.d.

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b. The Postal Service has established a FY 2017 non-career employee turnover target of 2.84 (34.08 annually). The types of employee categories included are Postal Support Employee (PSE), City Carrier Assistant (CCA), Mail Handler Assistant (MHA), and Rural Carrier Assistant (RCA). Non-career employee turnover is a National Performance Assessment Unit Target for a significant population of our managers at the Area, District and Post Office level and the covers all non-career employee turnover within those managers' scope of responsibility. Because CCA turnover represents the biggest opportunity for improvement, non-career employee turnover was selected as an NPA indicator for field positions with high concentrations of CCAs (large Post Offices and Stations and Branches). The chart below depicts the work units and measurement depth (scope) for those with non-career employee turnover as an NPA goal.

FY 2017 NON-CAREER EMPLOYEE TURNOVER UNITS & DEPTHS

Unit Type	Measurement Depth (Corp / Unit)
Area VP Office	Area
Area Finance	Area
Area HR	Area
Area DPS	Area
District Office or Sr Plant Mgr	Dist
District Finance	Dist
District HR	Dist
District MOPS	Dist
MPOO	MPOO
REC	LF
Post Office PCES or 26	LF
MCSO	LF
Stations or Branches (MCS/SCS)	LF

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6. CHIR No. 7, question 1.a asked the Postal Service to explain why it failed to meet the FY 2016 target for the Occupational Safety and Health Administration illness and injury rate (OSHA I&I Rate).³ In its response, the Postal Service asserted that “[t]he FY 2016 target for [the] OSHA I&I rate was a dual metric including targets for both actual performance and rate of improvement.” Responses to CHIR No. 7, question 1.a. According to the Postal Service, “[a]lthough the target for the actual rate was not met, the performance improvement rate was exceeded.” *Id.* The Postal Service asserts that its actual performance result (6.25) constituted a 6-percent improvement over the prior year. *Id.*
- a. Please provide the FY 2016 target for the “rate of improvement” metric.
 - b. The Postal Service concedes that “the target for the actual [OSHA I&I] rate was not met....” *Id.* Please explain and describe why the FY 2016 OSHA I&I Rate actual performance target was not met. See 39 U.S.C. § 2804(d)(3).

RESPONSE:

- a. The target for “rate of improvement” in FY 2016 was a 3 percent reduction from the previous year.
- b. The FY 2016 target for OSHA I&I rate was a dual metric including targets for both actual performance and rate of improvement. Although the target for the actual rate was not met, the performance improvement rate was exceeded. The OSHA I&I rate calculation takes into consideration the total number of accidents and exposure hours. In FY 2016, there was a reduction in accidents but an increase in exposure hours. The year ended with an OSHA I&I rate of 6.25, which reflected a 6 percent improvement over the prior year.

The OSHA I&I rate calculation takes into consideration both the total number of recordable accidents and the exposure hours. The target for actual rate (6.05) was not met as a result of an increase in the total number of accidents that exceeded the rate of

³ Chairman's Information Request No. 7, January 17, 2017, question 1.a.

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increase to exposure hours. The Postal Service saw the greatest increase in accidents with its newer, less experienced employees. As a result, the Postal Service implemented a program to focus safety efforts on these newer, at-risk employees. The Counseling At Risk Employees program provided regular safety discussions between upper management and employees. This program successfully improved performance over that of FY 2015. The combination of an improved rate and a reduction of recordable accidents allowed the Postal Service to finish the year at the target.

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7. The Postal Service states that in FY 2017, it will replace the OSHA I&I Rate performance indicator with a new performance indicator called Total Accidents Rate to measure employee safety. FY 2016 *Annual Report* at 15 n.9, 20.
- a. Please confirm that the Total Accidents Rate performance indicator will be a dual metric including targets for both actual performance and rate of improvement. See Responses to CHIR No. 7, question 1.a. If confirmed, please provide the FY 2017 target for rate of improvement. If not confirmed, please explain whether and how the Postal Service will consider the rate of improvement when measuring employee safety.
 - b. Please explain whether the new Total Accidents Rate performance indicator represents a "snapshot in time" that will change after the end of the fiscal year.
 - c. Please discuss the process and means the Postal Service will use to verify and validate the results of the Total Accidents Rate performance indicator and compare them to the process and means of verifying and validating the OSHA I&I Rate actual results. See 39 U.S.C. § 2803(a)(6).

RESPONSE:

- a. At the corporate level, the Total Accidents Rate will not include a dual metric; however, at the unit level there will be a dual metric. At the unit level, the target for rate of improvement is a 10 percent reduction from the previous year.
- b. There may be some fluctuation in the end-of-year numbers due to accidents being added after the final data pull; however, there will not be as much fluctuation as in previous years when the OSHA I&I rate was measured. The OSHA I&I rate was much more fluid as case statuses changed when new medical evidence was received months after the fact. The Total Accidents indicator measures every accident regardless of status.
- c. Data will be validated using the Enterprise Data Warehouse (EDW). This is the same process used in past years when validating OSHA I&I rates.

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10. The Postal Service stated that the Postal Pulse survey items are research-based and “have proven to be statistically valid and reliable over time for measuring employee engagement and its relationship to key business indicators like...accident reduction and employee retention.”⁴

- a. Please specify whether and how the information collected through the FY 2016 Postal Pulse survey was used to measure employee engagement’s relationship to the key business indicators for employee retention.
- b. Please specify whether and how the information collected through the FY 2016 Postal Pulse survey was used to measure employee engagement’s relationship to the key business indicators for accident reduction.

RESPONSE:

a. - b.

The Postal Service made the above assertions based on research furnished by the Gallup organization. The Postal Service has not had sufficient time using the Postal Pulse survey to establish the relationship between employee engagement and key business indicators for employee retention and accident reduction within the Postal Service.

⁴ Docket No. ACR2015, United States Postal Service FY 2016 Annual Report to Congress, Library Reference USPS-FY15-17, December 29, 2015, at 18.