

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

SERVICE PERFORMANCE MEASUREMENT SYSTEMS
FOR MARKET DOMINANT PRODUCTS

Docket No. PI2015-1

**NOTICE OF ERRATA OF THE UNITED STATES POSTAL SERVICE
CONCERNING THE FILING OF LIBRARY REFERENCE USPS-LR-PI2015-1/6
(February 17, 2017)**

The Postal Service hereby supplements USPS Library Reference PI2015-1/6, USPS Proposed Internal Service Performance Measurement System Data for Quarter 1 of Fiscal year 2017, filed on February 16, 2017, with the attached report, entitled "PRC Report Performance Comparison Internal SPM vs. Legacy FY17 Q1".

The Postal Service regrets the oversight.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
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February 17, 2017

**PRC Report Performance Comparison
Internal SPM vs. Legacy
FY17 Q1**

02/16/2017

- ❑ PRC Reports were generated for FY16 Q2-Q4, and FY17 Q1 by:
 - Legacy systems:
 - ◆ BIDS/IMAPS for Commercial Mail
 - ◆ EXFC for Single-Piece First-Class Mail
 - Internal Service Performance Measurement (SPM) through the Informed Visibility system
- ❑ Analysis includes the following:
 - FY16 Q4 and FY17 Q1 National differences between Legacy and Internal SPM
 - FY17 Q1 District differences results:
 - ◆ First-Class Mail
 - SPFC Letters/Cards: Two-Day and Three-to-Five-Day
 - Presort FC Letters/Cards: Overnight, Two-Day and Three-to-Five-Day
 - FC Flats: Overnight, Two-Day and Three-to-Five-Day
 - ◆ Standard Mail Overall results for:
 - High Density and Saturation: Flats and Letters
 - Carrier Route
 - Every Door Direct Mail – Retail
 - Flats and Letters
 - ◆ Periodicals: Within County, Destination Entry, and End-to-End
 - ◆ Bound Printed Matter Flats

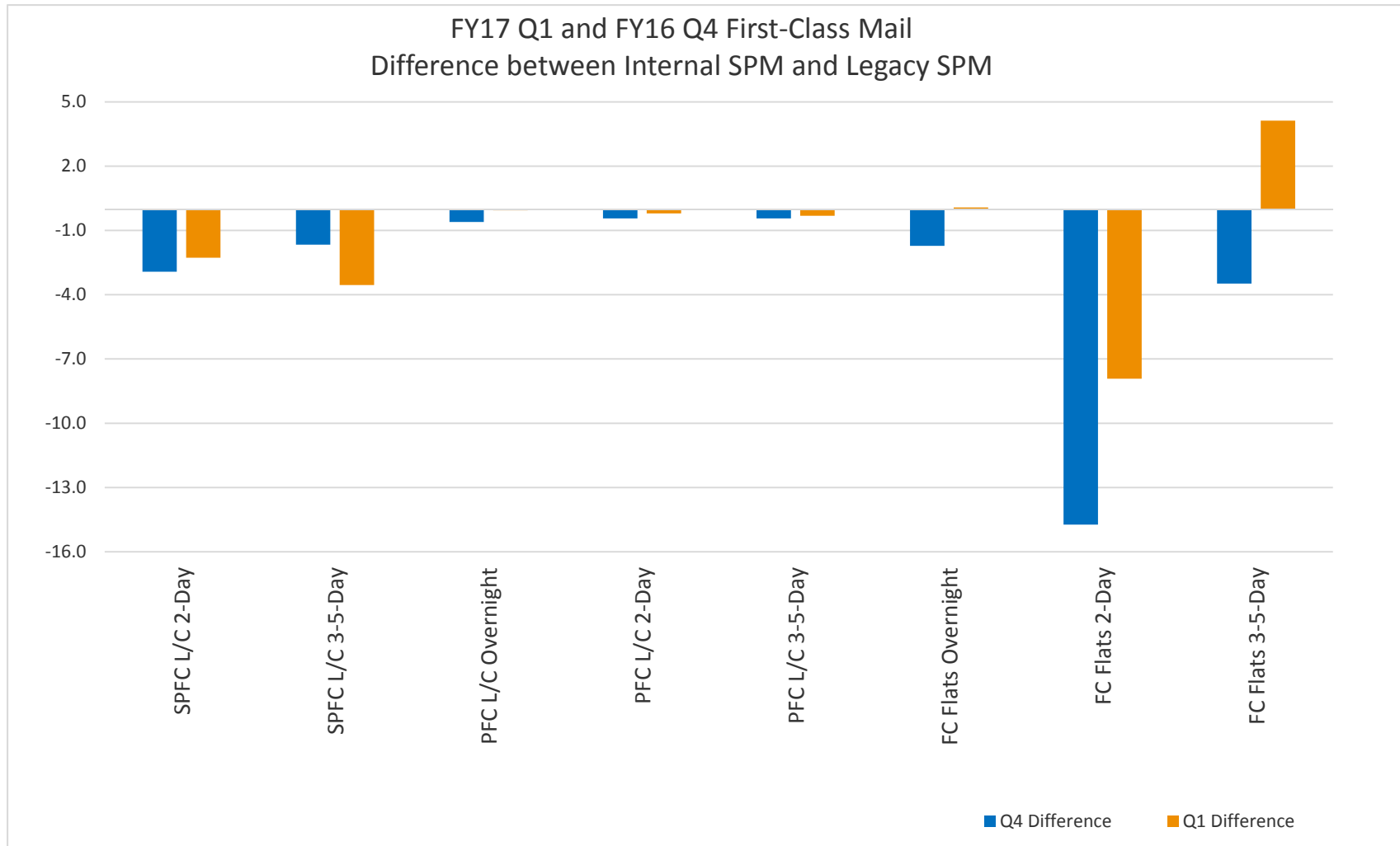


11 out of 15 measures with FY17 Q1 Margins of Error have statistically significant differences

FY17 Q1 Scores and Margins of Error					
Product	Internal SPM		Legacy SPM		Statistically Significant Difference
	Percent On Time	Margin of Error	Percent On Time	Margin of Error	
First Class Mail					
Single-Piece Letters/Cards					
Two-Day	92.4	0.1	94.7	0.1	Yes
Three-To-Five-Day	79.8	0.1	83.4	0.2	Yes
Presort FC Letters/Cards					
Overnight	96.1	0.0	96.2	0.3	No Difference
Two-Day	94.7	0.0	94.9	0.1	Yes
Three-To-Five-Day	91.7	0.0	92.0	0.1	Yes
FC Flats					
Overnight	83.0	0.3	82.9	1.4	No Difference
Two-Day	71.8	0.2	79.7	0.6	Yes
Three-To-Five-Day	75.0	0.3	70.9	0.5	Yes
Periodicals	82.3	0.1	81.5	0.2	Yes
Standard Mail					
High Density and Saturation Letters	93.8	0.0	93.9	0.0	Yes*
High Density and Saturation Flats	90.6	0.1	90.5	0.1	Yes*
Carrier Route	89.5	0.0	89.6	0.1	No Difference
Letters	90.1	0.0	90.2	0.1	Yes*
Flats	78.4	0.0	77.4	0.1	Yes
Every Door Direct Mail-Retail	73.6	N/A	73.6	N/A	N/A
Bound Printed Matter Flats	52.8	0.2	52.8	0.2	No Difference

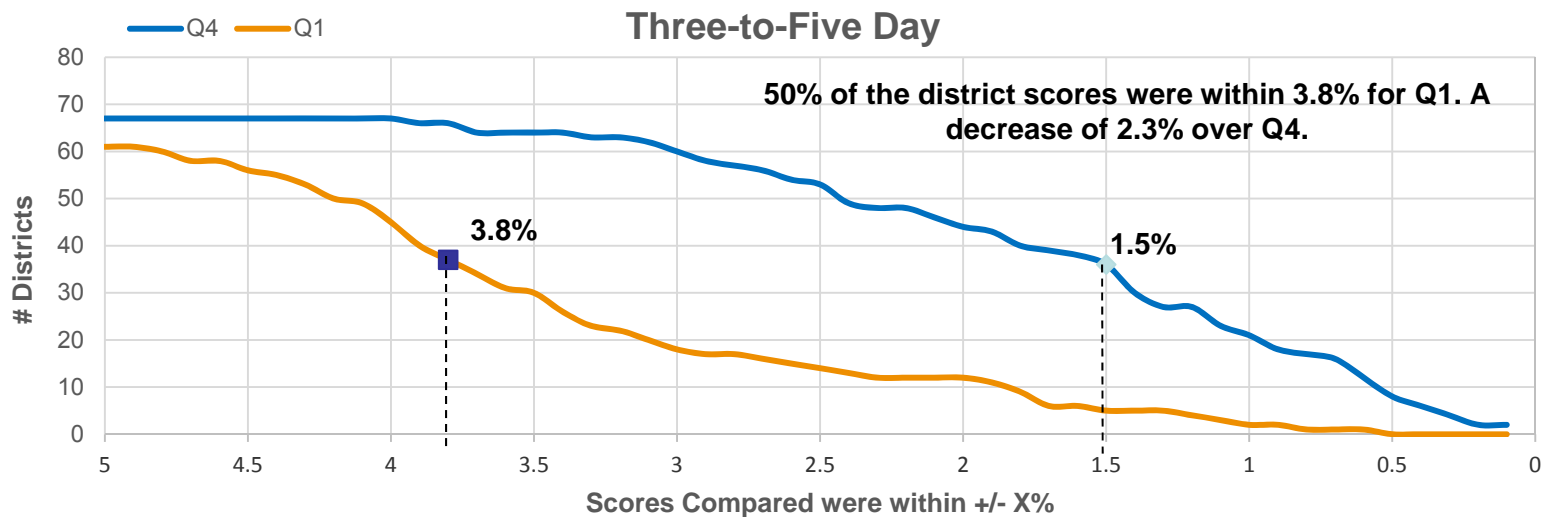
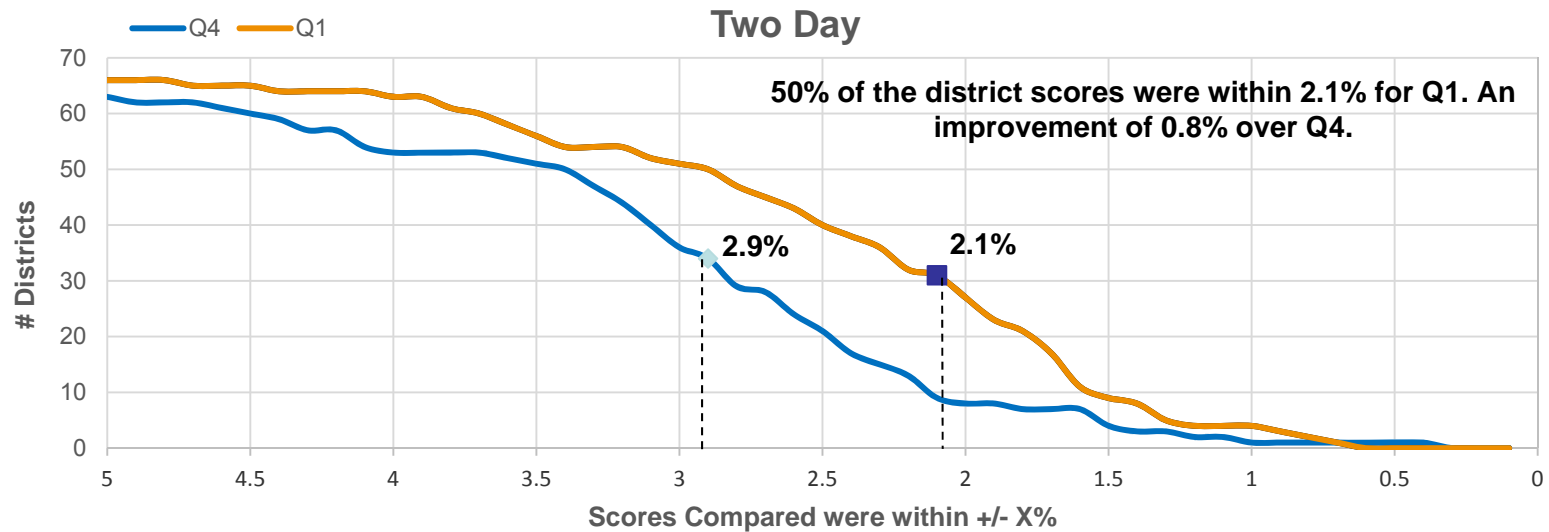
* Scores are within +/- 0.1

Note: The methodology used for calculating last mile profile in the Legacy system (last processing operation) was modified in FY17 Q1 to align with Internal SPM (days left level). FY16 Legacy results used the LPO method.

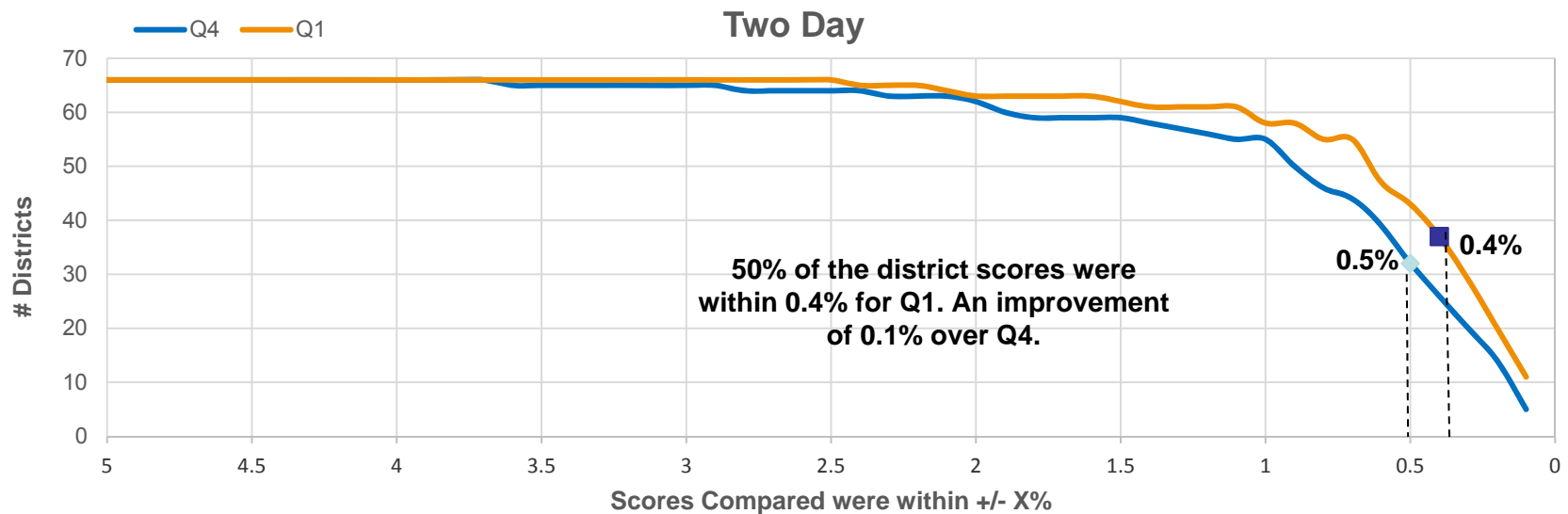
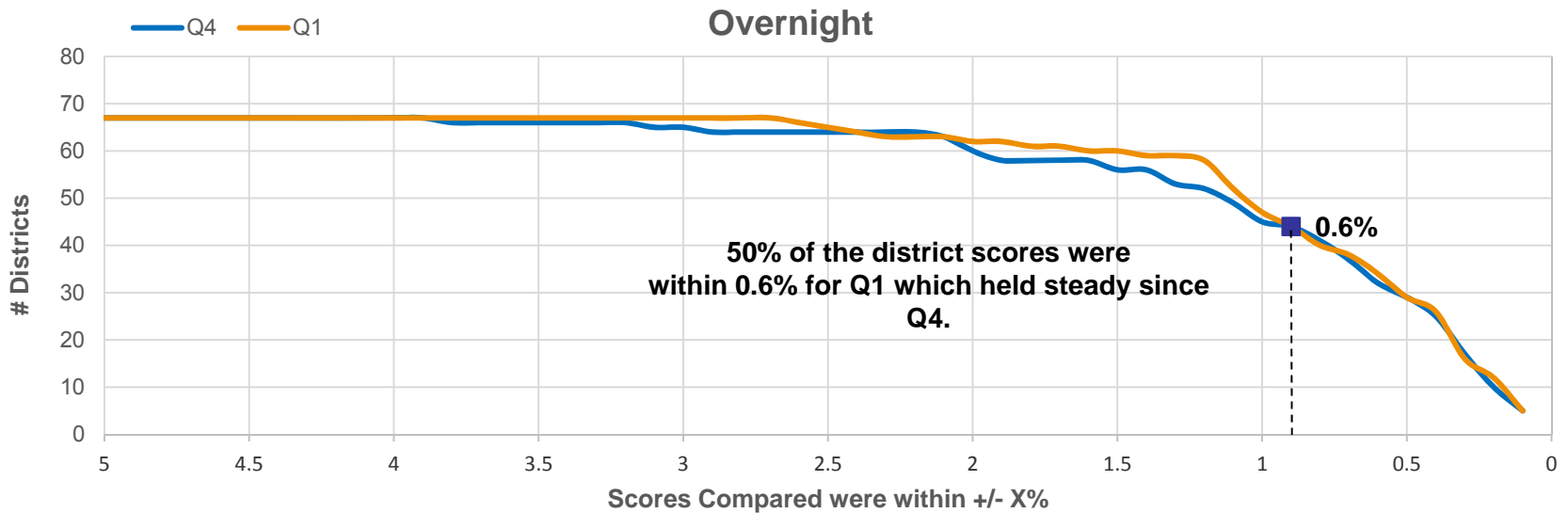


Note: The methodology used for calculating last mile profile in the Legacy system (last processing operation) was modified in FY17 Q1 to align with Internal SPM (days left level). FY16 Legacy results used the LPO method.

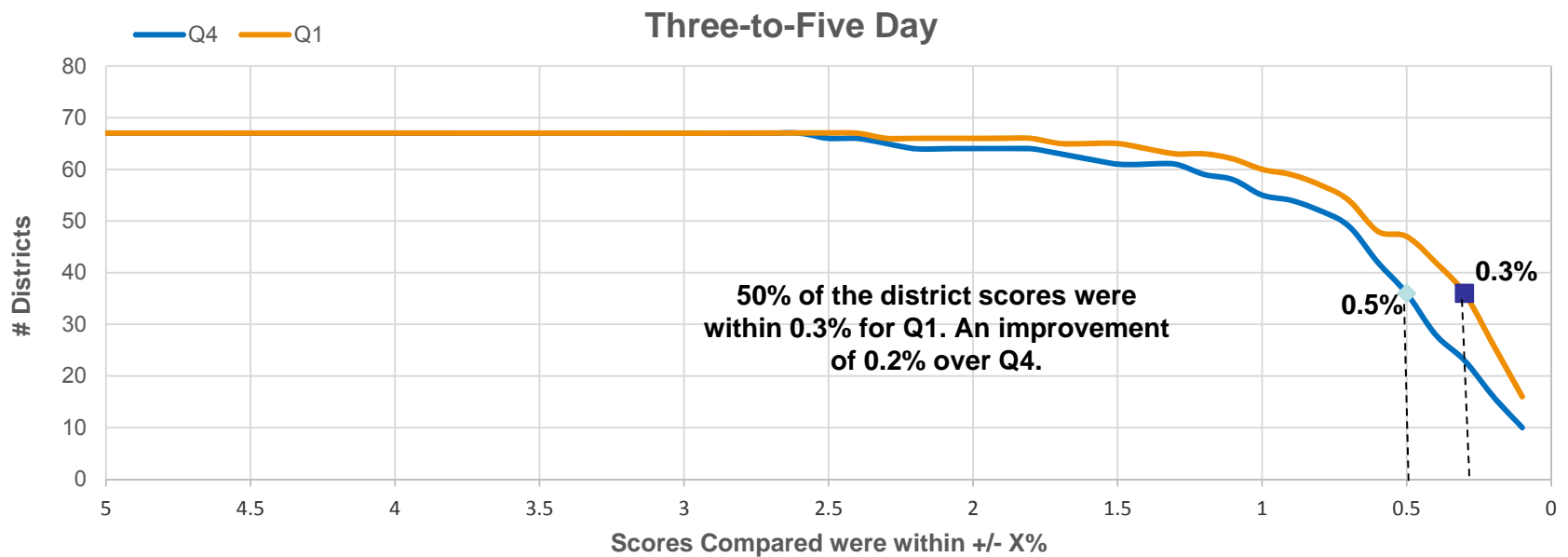
Single Piece First-Class Letters PRC Results Comparisons - District



Presort First-Class Letters PRC Results Comparisons - District

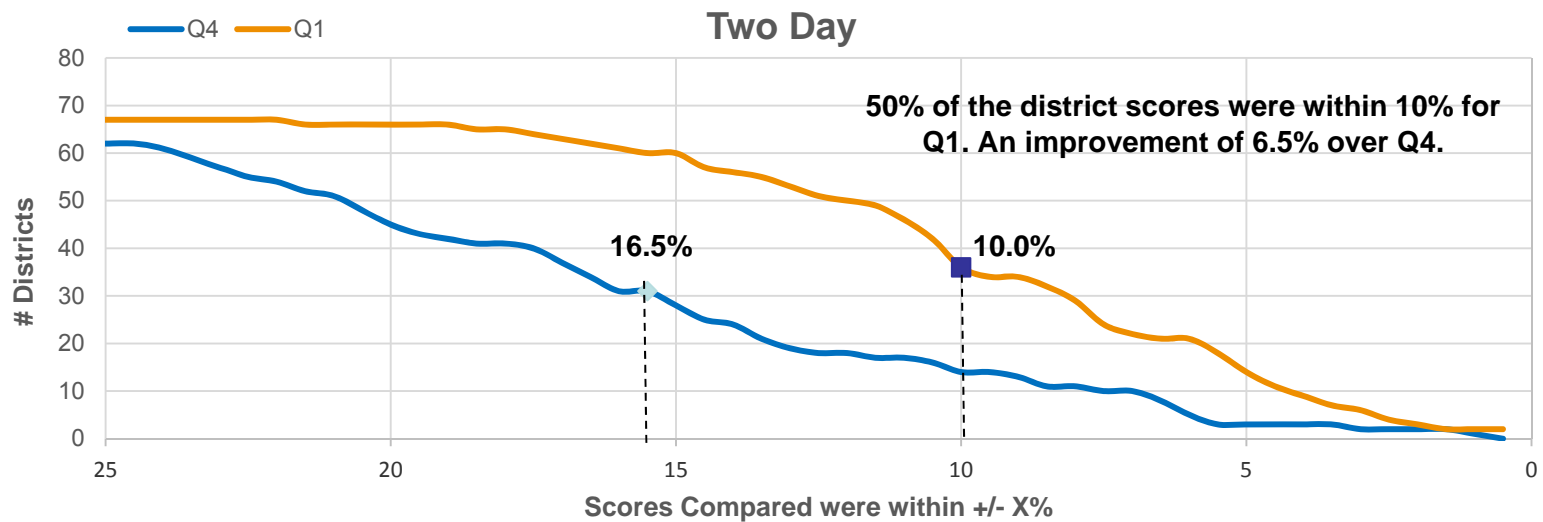
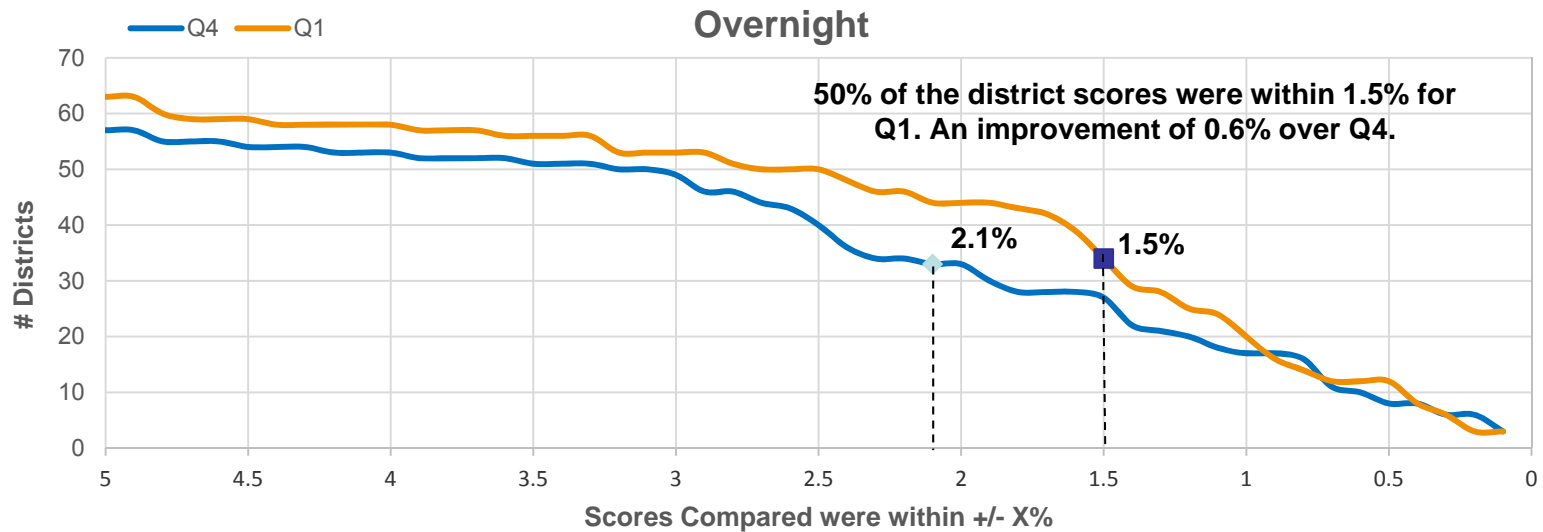


Presort First-Class Letters PRC Results Comparisons - District

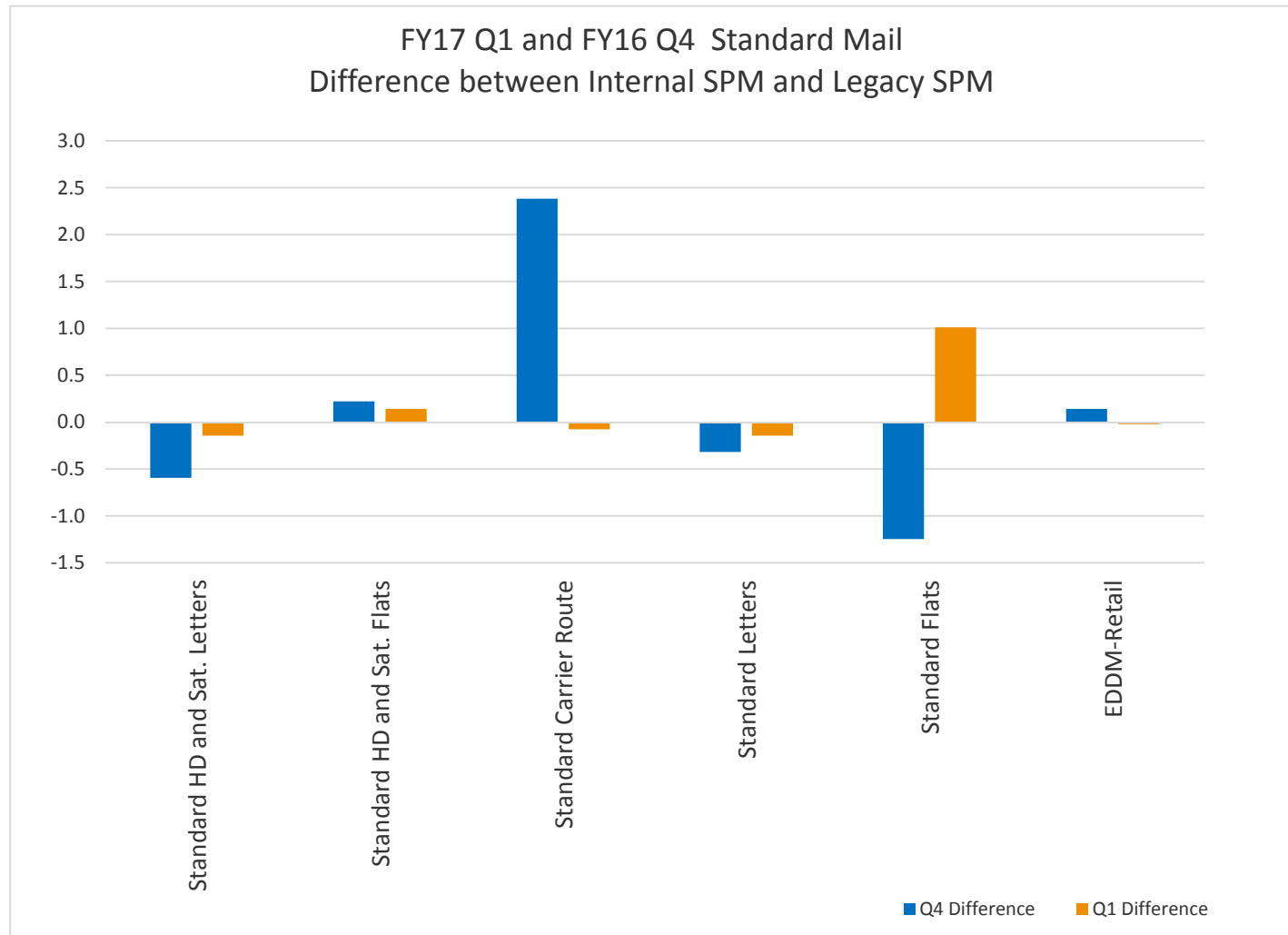




Combined First-Class Flats PRC Results Comparisons - District



National Standard Mail differences decreased for all six Standard Mail products shown

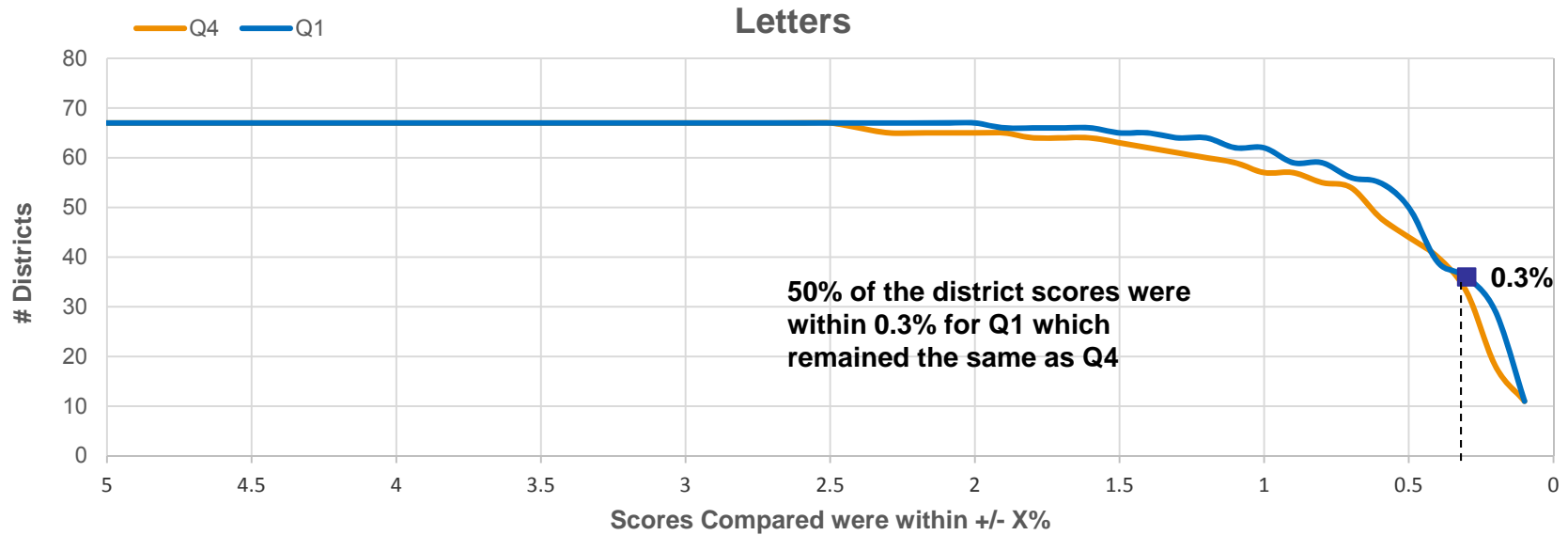
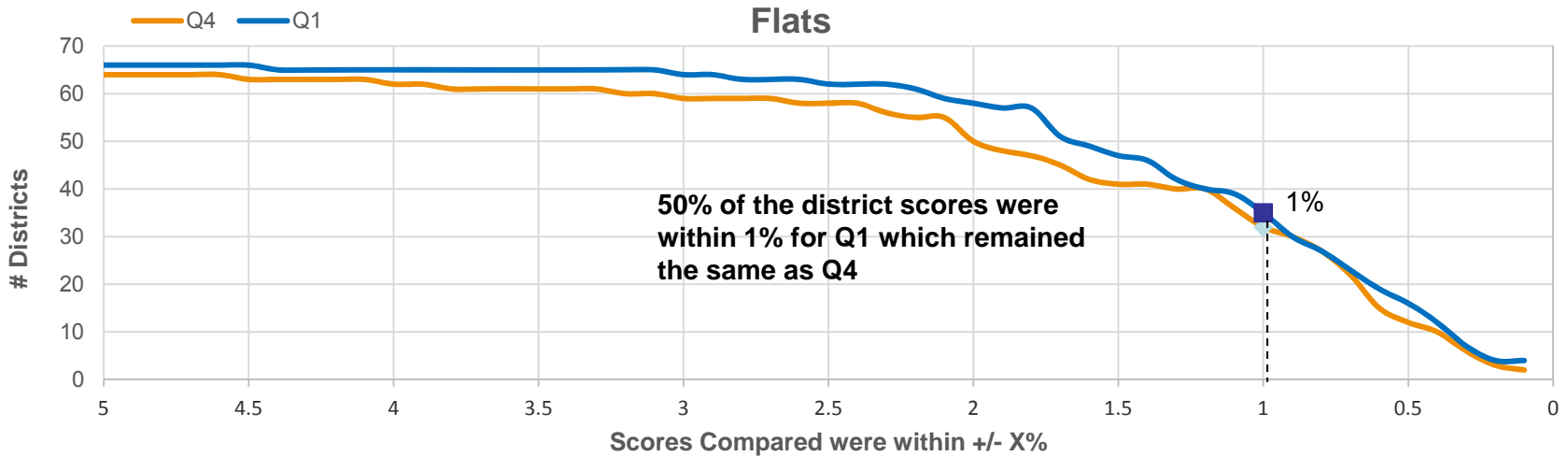


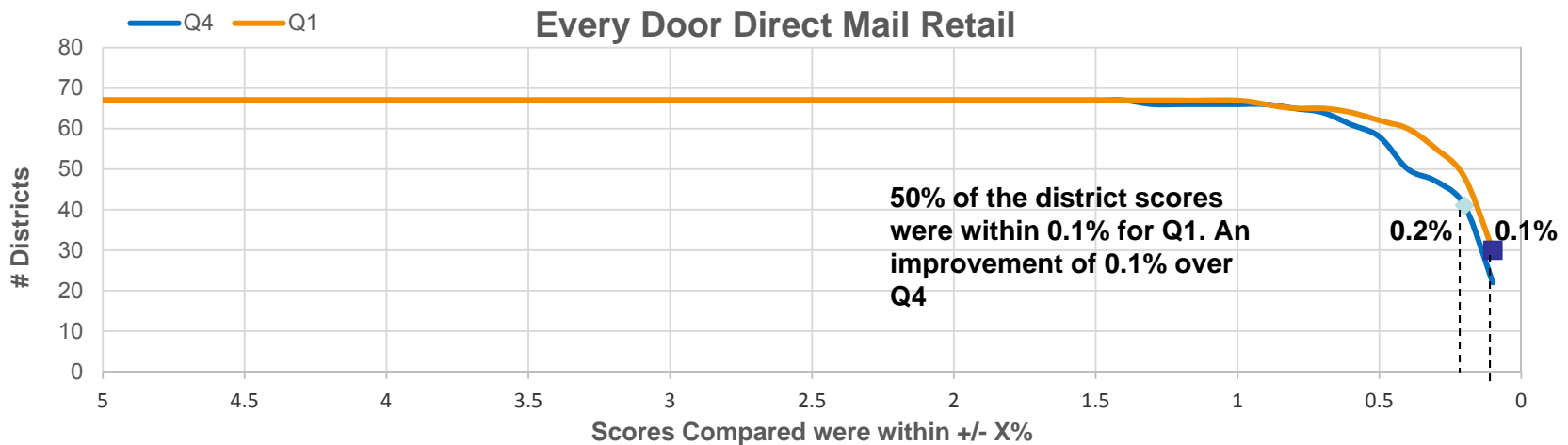
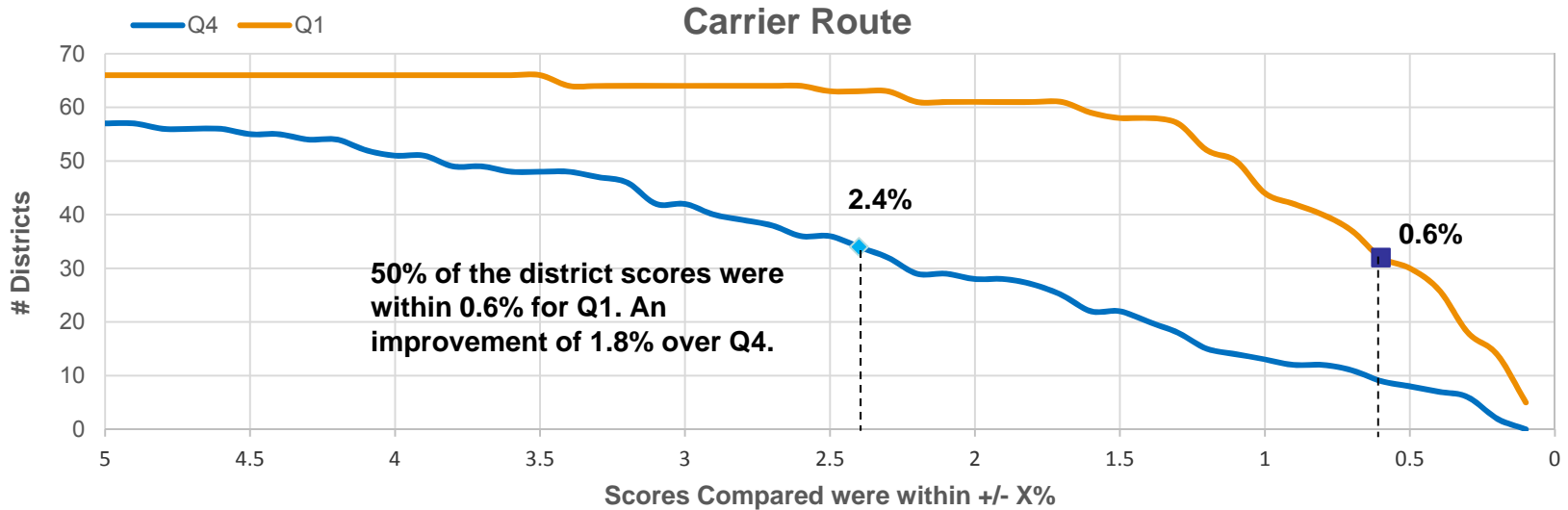
Note 1: The methodology used for calculating last mile profile in the Legacy system (last processing operation) was modified in FY17 Q1 to align with Internal SPM (days left level). FY16 Legacy results used the LPO method.

Note 2: Negative differences occur when Internal SPM results are lower than Legacy SPM results.



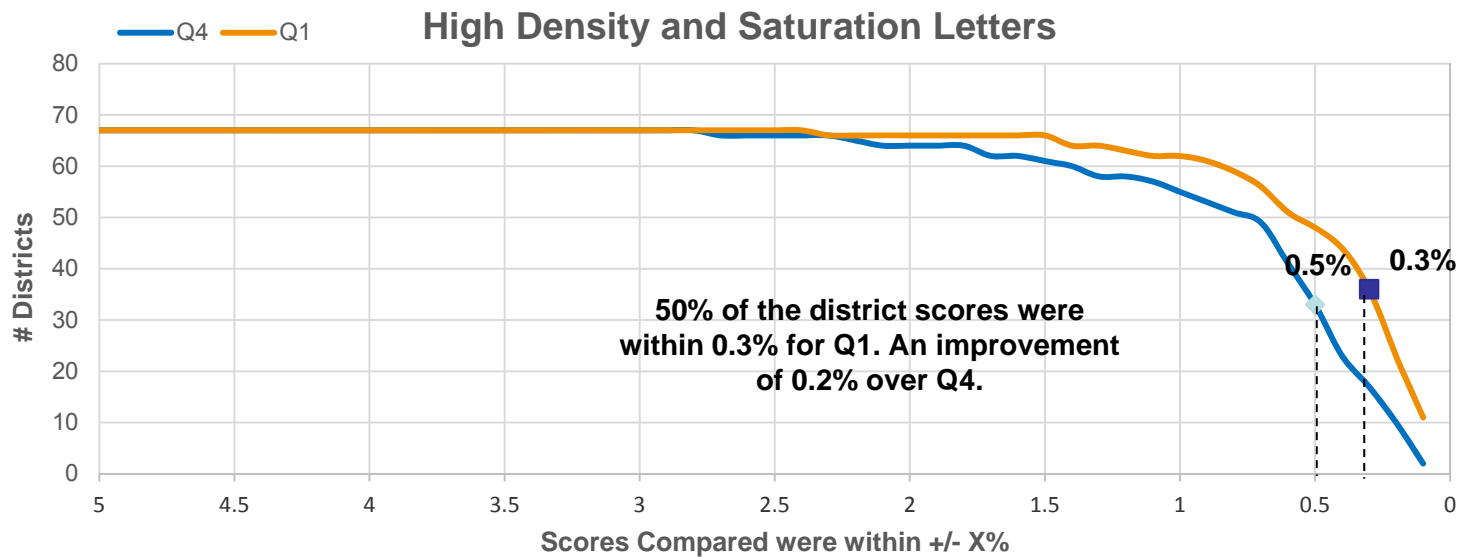
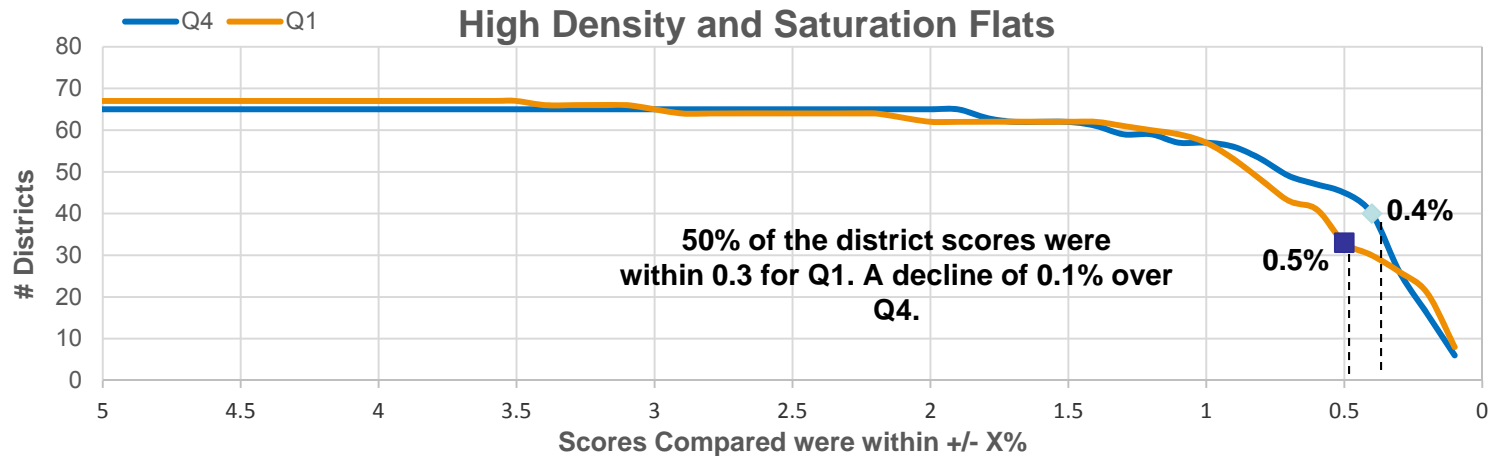
Standard Mail Flats and Letters PRC Results Comparisons - District



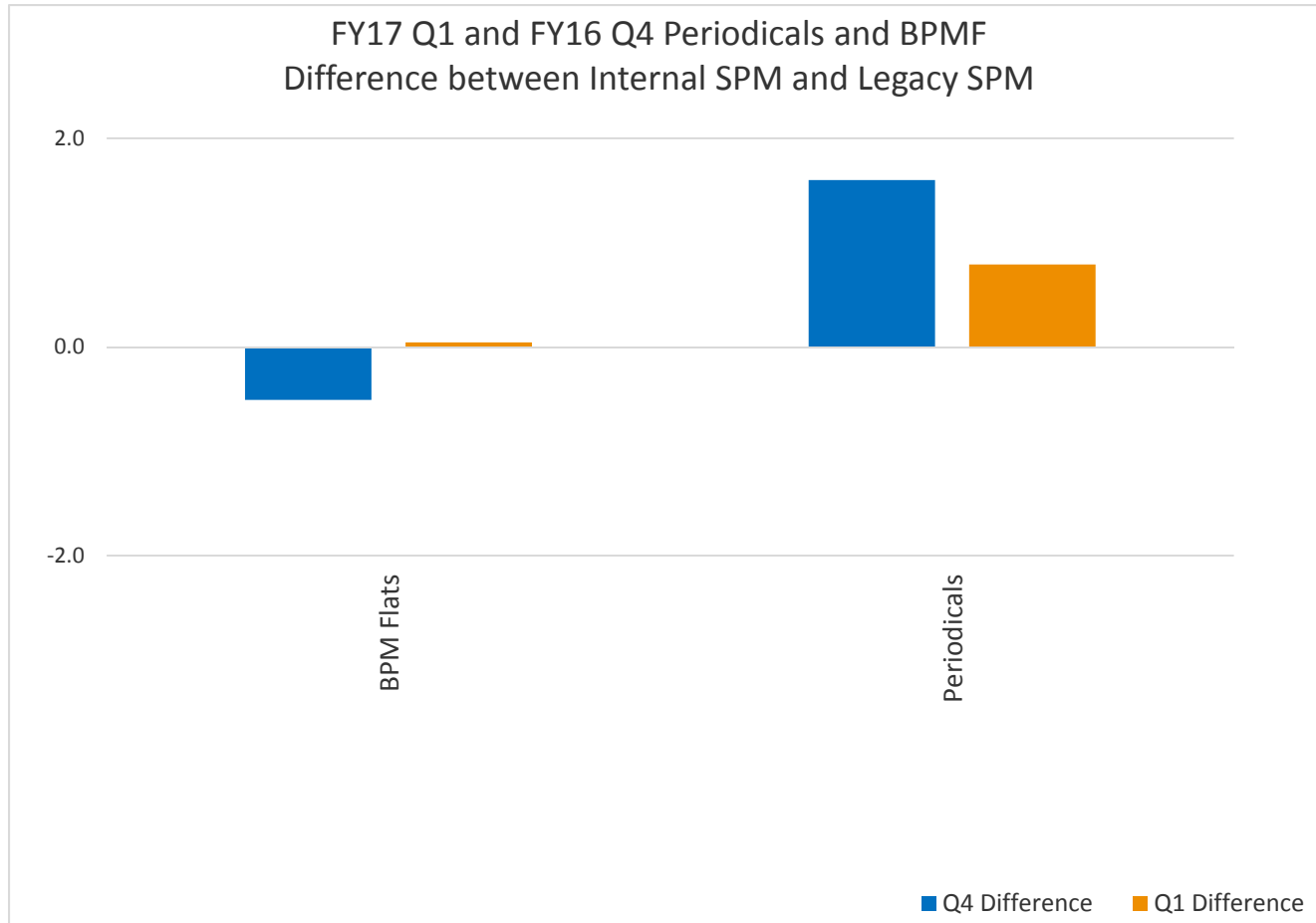




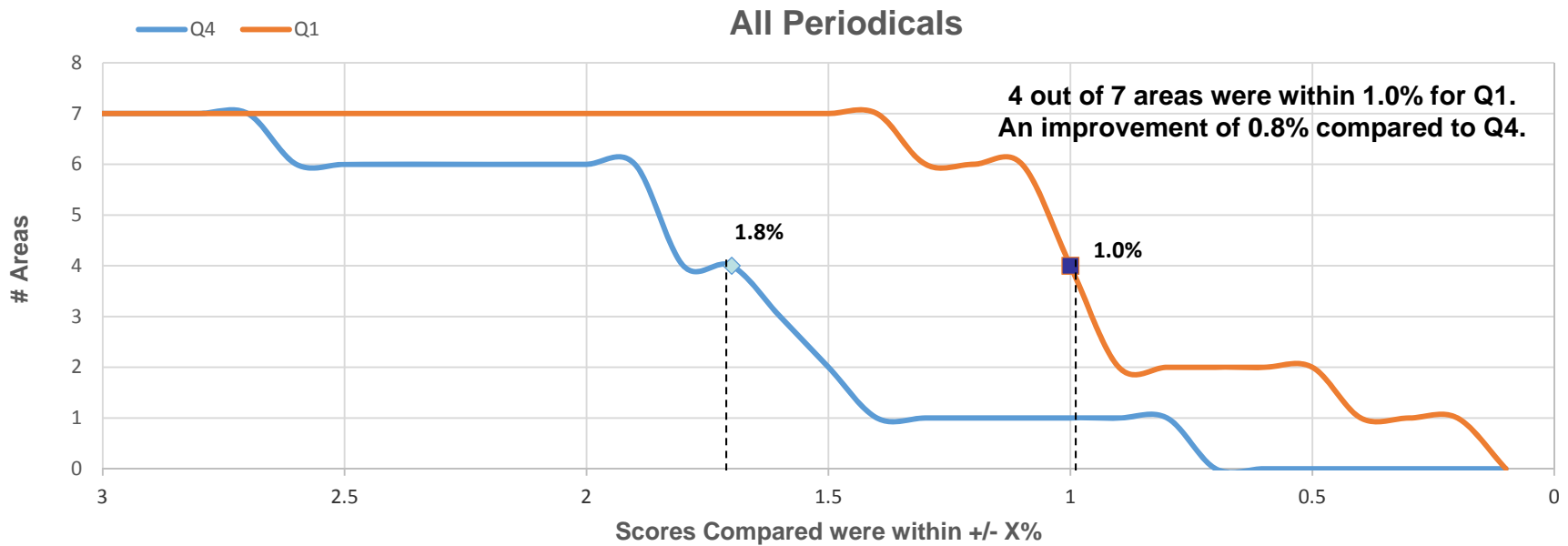
Standard High Density and Saturation Mail PRC Results Comparisons - District

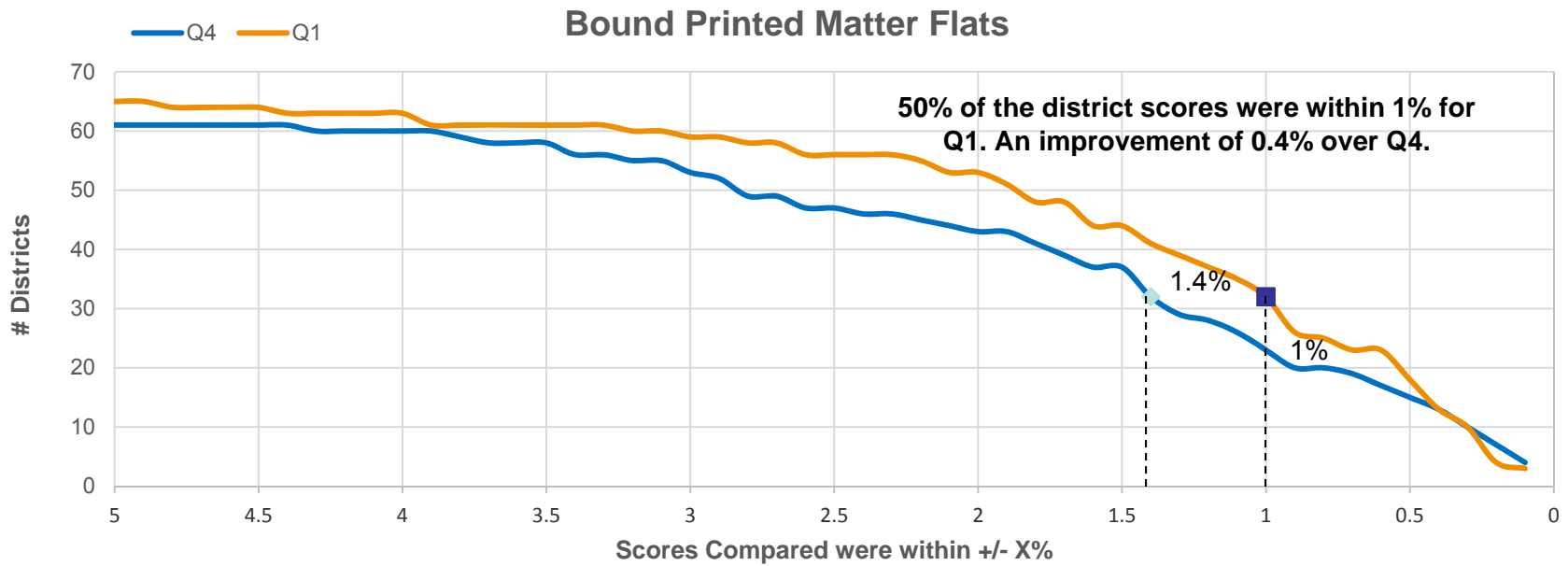


Internal SPM aligned closer to Legacy for both Periodicals and BPM Flats



Note: Negative differences occur when Internal SPM results are lower than Legacy SPM results





❑ **Applies to all products except EDDM**

- Last mile profiles for Internal SPM were unweighted, differing from the statistical design
- The methodology used for calculating last mile profile in the Legacy system (last processing operation) was modified in Q1 FY17 to align with Internal SPM (days left level). FY16 Legacy results used the LPO method.
- The methodology used to produce internal SPM margin of error deviated from the statistical design. The deviation is due to a known software defect in the overall originating/destinating variance calculation identified during testing that was not resolved prior to the reporting deadline, impacting a small portion of the calculations. Additional development and testing will occur in Q2 FY17 to resolve the margin of error calculations.

❑ **Applies to Single-Piece First-Class Mail Only**

- Some technical issues with identifying, tracking, and measuring unique mailpieces through automation based on processing scans existed this quarter. Additional analysis and validations will be undertaken to confirm that issues have been resolved in Q2 FY17
- Issues impacting measurement accuracy were identified when pieces are first observed in incoming mail processing operations rather than in the expected outgoing operations. Potential revisions to the methodology are being analyzed for implementation in upcoming quarters.
- The current methodology does not account for mail collected and processed on Sundays and holidays as these are not typically dates when mail is collected. Modifications to the business rules will be made in Q2 FY17 for future occurrences.
- Sampling for most high-volume courtesy and business reply mail delivery points was not enabled during the quarter, and there was very limited representation of the reply mail portion of Single-Piece First-Class Mail™ letters/postcards in the Last Mile sample. Due to the very limited data available to measure the overall transit time for this mail, all of the courtesy and business reply mail were excluded from these results. Target implementation is anticipated in Q3 FY17
- This report includes performance estimates with First Mile profiles based entirely on collection mail and does not include mail sent over retail counters. The system capability to include the retail mail, which will be measured using First-Class Mail with Special Services requested, into the First Mile estimates is under development and testing. Completion is anticipated for Q2 FY17.
- Challenges with sampling Single-Piece First-Class Flats at collection resulted in limited data available for estimating First Mile Profile for flats across the quarter in all districts, impacting the accuracy and reliability of the estimates. Retail profiles and Back Office Flat Sampling will improve data for First Mile Profiles Targeted Q2 FY17.