

## Press Release

November 25, 2008

### PRC Approves Service Measurement Systems

**Washington, DC** – The Postal Regulatory Commission today issued [Order No. 140](#) granting formal approval for the U.S. Postal Service to utilize both external and internal service measurement systems – including the Intelligent Mail Barcode (IMb) – to report on service performance for market dominant postal products. The USPS had sought the Commission’s approval to utilize the IMb to measure the performance of its commercial mail lines.

The Postal Accountability and Enhancement Act of 2006 required the USPS to establish service standards for market dominant postal products in consultation with the Commission. Once those standards were established, the law directed the USPS to begin to measure and publicly report on its service performance for all market dominant products. Adoption of an internal measurement system required Commission approval.

“Measuring service performance provides needed transparency for the mail stream, and is a critical tool for both postal managers and customers,” said PRC Chairman Dan G. Blair. “The Commission recognizes the tremendous potential that IMb holds in this regard. We intend to keep a keen eye on the implementation of these systems to assure that the reported performance is representative and reliable.”

The Commission’s order reflects the Postal Service proposal to expand its existing measurement system for single-piece First Class Mail, and use its existing Delivery Confirmation data to measure parcel service. For the majority of its volume, letter and flat-shaped mail sent in bulk by businesses, the Postal Service proposed a hybrid system that would use information obtained from the IMb in combination with externally derived service information. To ensure that accurate and representative performance data are obtained, the Commission requested the Postal Service to report quarterly on its progress toward implementing full service IMb.

For Periodicals mail, the Commission approved an interim system using the external Red Tag and DelTrak service measurement providers originally developed by mailers. The long-term solution is to switch to an IMb-based system once there is a sufficient volume of Periodicals mail using the IMb.

The Commission order noted that certain types of mail may not be measureable using IMb and it discussed how the proposed program will benefit from supplemental measures still to be developed. Further, the Commission requested the USPS to develop more realistic measures of actual performance for the diverse Special Services category.

“The Commission recognizes that these measurement systems are a ‘work-in-progress’ and looks forward to our continued consultation with the Postal Service as these systems are monitored and perfected,” said Blair. “Our regulatory efforts will reflect any additional changes that must be made to the system over time.”

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