

# Appendix: Commission Findings and Recommendations

## Chapter 2 - Compliance with 39 U.S.C. §§ 2803 and 2804:

- *The Commission finds the increased visibility of the FY 2015 Report and FY 2016 Plan an improvement compared to previous annual performance reports and annual performance plans. Chapter 2 at 11-12.*
- *The Commission finds that the FY 2016 Plan meets almost all requirements of 39 U.S.C. § 2803. Id. at 12.*
  - *Although the Postal Service did not set a measurable FY 2016 target for the Postal Pulse survey score in the FY 2016 Plan, the Commission finds that the information provided in response to a CHIR is sufficient to meet the requirements of 39 U.S.C. § 2803(a)(2). In future years, the Postal Service should include this information in annual performance plans. Id.*
  - *The Commission finds that the FY 2016 Plan does not “cover[] each program activity set forth in the Postal Service budget” as required by 39 U.S.C. § 2803(a) and is not compliant in that respect. To ensure full compliance next year, the FY 2017 Plan must identify all program activities in the FY 2017 Integrated Financial Plan and explain how the FY 2017 Plan covers each one. Id. at 14.*
- *The Commission finds that the FY 2015 Report meets most, but not all, of the requirements of 39 U.S.C. § 2804. Id.*
  - *In future years, to fully comply with 39 U.S.C. § 2804(d)(3), the Postal Service should provide timelines for its plans to achieve performance goals if timelines fall outside of the fiscal year covered by the annual performance plan. Id. at 15.*
  - *The Commission finds that the Postal Service provided the information necessary to meet the requirements of 39 U.S.C. § 2804(d)(2). In future years, the Postal Service should provide all of this information in its annual performance report. Id. at 16.*
  - *Without comparable FY 2015 targets and results for the Postal Pulse survey score performance indicator, the FY 2015 Report does not comply with 39 U.S.C. § 2804(b)(1) for the Ensure a Safe Workplace and Engaged Workforce performance goal. To comply with 39 U.S.C. § 2804(b)(1) in FY 2016, the FY 2016*

*Report must express FY 2016 results that are comparable with the targets expressed in the Responses to CHIR No. 3, question 5.b. Id.*

- *Without comparable results for the performance indicators under the Provide Excellent Customer Experiences and Ensure a Safe Workplace and Engaged Workforce performance goals, the Commission finds that the FY 2015 Report does not “include actual results for the three preceding fiscal years” and thus does not comply with the requirements of 39 U.S.C. § 2804(c). Id. at 18.*

### **Chapter 3 - Evaluation of Performance Goals:**

- *The Commission finds that the Postal Service partially met the Sustain Controllable Income performance goal. The Postal Service did not meet the Deliver High-Quality Services, Provide Excellent Customer Experiences, and Ensure a Safe Workplace and Engaged Workforce performance goals. Chapter 3 at 19.*
- *The Commission recommends that the Postal Service not revise the FY 2016 targets that were set in the FY 2016 Plan. If circumstances merit revising a target for any fiscal year, the Postal Service should describe why the revision was necessary given the circumstances, and how the revision appropriately captures the changed circumstances. Id. at 21, 39, 60.*

### **Deliver High-Quality Services:**

- *The Commission finds that the Postal Service did not meet the Deliver High-Quality Services performance goal in FY 2015. Id. at 25.*
- *The Commission recommends that the Postal Service closely examine and monitor the reasons why the FY 2014 and FY 2015 year-to-year changes in mail characteristics or mail volumes were underestimated or unplanned in its transportation network planning. Id. at 27.*
- *The Commission recommends that when districts do not meet their service performance targets due, in whole or in part, to severe weather, the Postal Service show when and to what extent severe weather affected service performance results. By doing so, the Postal Service should distinguish between severe weather causes of poor service performance, and other ongoing causes throughout the fiscal year in its performance reports. Id.*
- *For those service performance indicators that do not meet FY 2016 targets, the Commission recommends that the Postal Service include the number of districts where the annual service performance indicator target was met in its FY 2016 Report. Id. at 31.*

- *The Commission recommends that the Postal Service explore and develop other plans for meeting all FY 2016 service performance targets and include them in the FY 2016 Report and FY 2017 Plan. Id. at 32.*

**Provide Excellent Customer Experiences:**

- *The Commission finds that the Postal Service did not meet the Provide Excellent Customer Experiences performance goal in FY 2015. Id. at 39.*
- *To ensure that each aspect of customer experience progresses, the Commission recommends that the BSN, POS, Delivery, and CCC performance indicators each have individual targets in future performance plans. Id.*
- *In future years, the Commission recommends that the Postal Service include all BSN customers in the survey. Alternatively, the Postal Service should provide the number of BSN accounts that are not eligible to complete the BSN survey. Id. at 40, 41.*
- *To help meet the “Five Minutes or Less” standard, the Commission recommends that the Postal Service closely monitor and reduce wait times in line during peak months by, for example, including more staff at retail locations or adding additional window retail hours. Id. at 42.*
- *The Commission finds that the revisions to the FY 2015 CCC survey may improve its utility as a measurement of customer experience. In future years, if the Postal Service revises a customer experience survey, the Commission recommends that the Postal Service describe these changes in the methodology section of the Preface document of that fiscal year’s ACR, Library Reference USPS-FY16-38 (customer experience surveys), and in the report(s) where the survey is discussed. Id. at 43.*
- *If the Postal Service makes changes to surveys that affect comparability across fiscal years, the Postal Service should adopt an approach similar to the changes it made to the FY 2015 CCC survey. Id.*
- *To ensure that the FY 2016 Report complies with 39 U.S.C. § 2804(c) for the Provide Excellent Customer Experiences performance goal, the Commission recommends that the Postal Service also compare survey results received online for the CEM survey conducted in FY 2013 and the CI Delivery surveys conducted from FY 2014 through FY 2016 for residential and small/medium business customers. Id. at 45.*
- *The Commission recommends that the Postal Service establish a performance indicator based on the Large Business survey and include it as part of the CI Composite Score. Id. at 46.*

### **Ensure a Safe Workplace and Engaged Workforce:**

- *The Commission finds that the Postal Service did not meet the Ensure a Safe Workplace and Engaged Workforce performance goal in FY 2015. Id. at 50.*
- *The Commission recommends that the Postal Service consider adding another workplace safety performance indicator for which results are not revised after the end of the fiscal year. Id.*
- *The Commission recommends that the Postal Service use the Postal Pulse survey to identify the causes of employee turnover and design programs to reduce turnover rates for non-career employees. In the FY 2016 Report, the Postal Service should describe the steps it has taken to use the Postal Pulse survey data to measure the relationships between employee engagement, accident reduction, and employee retention. Id. at 52, 53.*
- *Without a comparable FY 2015 target and result, the FY 2015 Report does not comply with 39 U.S.C. § 2804(b)(1) for the Postal Pulse survey score performance indicator. Id. at 53.*
- *In FY 2016, the Postal Service should administer the Postal Pulse survey for a full cycle. It should then set a FY 2017 target for the Postal Pulse survey score and provide the basis for selecting this target. In FY 2016, the Postal Service should take steps to increase the FY 2015 mean score of 3.16. It should assess its progress at the end of FY 2016 by comparing the FY 2015 and FY 2016 results for the comparable test period. Id. at 53-54.*
- *To allow for some cross-year comparison in FY 2016, the Commission recommends that the Postal Service use the same methodology for calculating the FY 2016 Postal Pulse survey score result to ensure that FY 2015 and FY 2016 results are comparable. Id. at 54.*
- *The Commission recommends the Postal Service reconsider whether any results can be compared between the VOE and Postal Pulse surveys and provide such comparable results for fiscal years 2013, 2014, 2015, and 2016 in the FY 2016 Report. Id. at 55.*
- *If the Postal Service makes additional changes to the Postal Pulse survey that affect comparability, the Commission recommends that the revised survey retain at least one item that can be compared to the previous survey. Id.*
- *The Commission recommends that the Postal Service continue setting targets and measuring results using the mean score of Items 1 through 12 on the Postal Pulse survey. The Postal Service should also consider setting targets and measuring results for specific items in the Postal Pulse survey. In the FY 2016 Plan, the Commission*

*recommends that the Postal Service compare FY 2015 and FY 2016 results of these specific items and explain how they relate to the FY 2015 and FY 2016 mean scores. Id. at 56.*

**Sustain Controllable Income:**

- *The Commission finds that the Postal Service partially met the Sustain Controllable Income performance goal in FY 2015. Id. at 60.*
- *The Commission finds that accounting for Sunday delivery is an improvement to the current DPWH calculation methodology, which does not account for the additional workload of Sunday deliveries, yet includes Sunday workhours as part of total workhours. Because Sunday delivery began in October 2013, the Commission recommends that in addition to recalculating the FY 2015 and FY 2016 results, the Postal Service should also recalculate the FY 2014 result using the revised methodology and include the revised results in the FY 2016 Report. Id. at 61.*
- *In the FY 2016 Report, the Commission recommends that the Postal Service explain its methodology for adjusting the workhours in the DPWH formula to account for year-to-year changes in weighted mail volumes. Id.*
- *The Commission recommends that in the FY 2016 Report, the Postal Service explain whether and how the FY 2016 DPWH performance indicator accounts for any increase in the number of delivery points and associated workhours caused by the rebounding housing market. The Postal Service should also describe any modifications it makes in the development of forecasted delivery points used to calculate the FY 2017 DPWH target. Id. at 62.*
- *The Commission recommends that the Postal Service update or adjust its First-Class Mail forecasting volume model accordingly. If year-to-year changes in other mail volume characteristics impacted FY 2015 overrun of the workhours plan, the Postal Service should assess whether and how its workhours estimation processes can be improved. Id. at 63.*
- *The Commission recommends that the Postal Service include additional performance indicators in its FY 2016 Annual Report that quantify cost savings from strategic initiatives and capital investments and show how they are producing intended cost savings over time. Id. at 64-65.*
- *The Commission recommends that the Postal Service balance the use of regular and overtime workhours to optimize its operational flexibility and efficiency. Id. at 66-67.*

#### **Chapter 4 - Strategic Initiatives:**

- *Given their important connection to the performance goals, the Commission reiterates that strategic initiatives are properly considered in conjunction with annual performance plans and annual performance reports because they increase transparency and provide additional insight into the steps the Postal Service is taking to achieve its goals. Chapter 4 at 75.*
- *The FY 2016 Annual Report to Congress should include two tables listing strategic initiatives. Id.*
- *The Commission recommends that as part of its FY 2017 Plan discussion, the Postal Service provide the reasons for changes made to the FY 2016 strategic initiatives in FY 2017. Id. at 76.*
- *The Commission reiterates its recommendation that each strategic initiative have a unique performance measure that only measures performance for that strategic initiative. Id.*