



**Postal Regulatory Commission
Congressional Budget Justification
Fiscal Year 2019**

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Executive Summary FY 2019

The Postal Regulatory Commission (Commission) is an independent agency that has exercised regulatory oversight over the United States Postal Service (Postal Service) since its creation by the Postal Reorganization Act of 1970, with expanded responsibilities under the Postal Accountability and Enhancement Act of 2006 (PAEA). The Commission promotes high quality universal mail service for the American people by ensuring Postal Service transparency, accountability, and compliance with the law, particularly on its rates, product offerings, service quality, and competition as a government entity. The Commission is the primary regulator of the Postal Service and provides analyses on postal financial operations to Congress, stakeholders, and the general public. The Commission's job of regulating the Postal Service, the nation's second largest civilian employer, which is currently facing significant financial challenges, could not be more important than it is now.

To accommodate the Office of Management and Budget's (OMB) request in the context of developing the administration's budget, the Commission transmits the President's appropriation recommendation of \$15,100,000 for the Commission.

Since Fiscal Year (FY) 2009, Congress appropriates the Commission's budget out of the off-budget Postal Service Fund, which is the permanently appropriated revolving fund comprised solely of the monies that the Postal Service controls and raises from selling its products and services. The Commission's funds, therefore, come from the Postal Service's ratepayers rather than taxpayer monies. The Commission's appropriation represents a tiny fraction of the Postal Service's FY 2017 revenues of \$69.6 billion. As the Postal Service continues to adapt its operations to mailing and delivery service trends, including declining mail volume and growing expenses, the Commission continues to experience substantial increases in its workload. **Over the last 5 years, the Commission's docketed cases have increased annually, an average of 11 percent.** The administrative support staff's workload also continues to expand due to the Commission's increased responsibility to meet federal mandates such as emerging Information Technology (IT) cybersecurity initiatives.

After 8 years of reductions from the FY 2008 level, the Commission achieved budgetary increases in FY 2016 and FY 2017 that put it above the FY 2008 level for the very first time. As a result, the Commission, which dedicates 77 percent of its budget for salaries and benefits, was finally able to turn the corner on years of deferred hiring and deferred investments in IT for cybersecurity protection. However, reductions similar to the low funding levels of FY 2008-2014 would result in a considerable setback of critical progress, and despite efficiencies, could harm the Commission. The modest increase in funding requested of \$15,100,000 will allow the

Commission to work toward Federal Information Security Management Act (FISMA) compliance and to maintain the current staffing level of 80 Full Time Equivalents (FTEs).

Personnel

The Commission is already a lean organization. After accounting for the workforce requirements of commissioners and their staff, and administrative support personnel, the Commission has just 46 highly skilled professional staff to perform the challenging analytical, technical, and legal work that is the core of the Commission's regulatory responsibilities. It is also important to recognize that in each docketed case, the Commission by law must also appoint a staff member to serve as an officer of the Commission to represent the interests of the general public. Therefore, the Commission must field "two teams" for every case, further stretching resources.

The Commission continues to work on significant statutorily mandated reviews even as it experiences a substantial increase in workload. In addition to increasing in number, these cases continue to also increase in complexity, particularly those related to rates, new products, service changes, and competition. The Commission's goal for FY 2019 is to preserve our ability to fund the current FTE authority of 80 employees despite a pressing need to increase that level to meet the increasing workload demands.

In FY 2019, the Commission expects to experience increased workload related to any potential changes resulting from the 10-year review. The continuation of these evaluations will entail intensive work and analysis by the Commission, involve extensive public participation, and require a significant share of the Commission's resources..

Cybersecurity and IT Infrastructure

The Commission seeks to maintain and optimize its IT infrastructure and strengthen its cybersecurity posture. As authorized by the OMB in Directive M-17-28, funds will be used to eliminate deficiencies identified by the Department of Homeland Security (DHS) in the Commission's current cybersecurity posture. The planned initiatives will allow the Commission to manage cyber-risk and come closer to achieving FISMA compliance. Funding these initiatives is essential to ensuring the Commission has an acceptable risk assessment and a strong cybersecurity posture.

The FY 2019 budget of \$15,100,000 will allow the Commission to meet its statutory obligations, including providing timely responses to Congressional mandates and continuing progress in achieving FISMA compliance.

Mission

Ensure transparency and accountability of the United States Postal Service and foster a vital and efficient universal mail system

Guiding Principles

The Commission is committed to, and operates by, the principles of:

- Openness
 - Public participation
- Integrity
 - Fairness and impartiality
 - Timely and rigorous analysis
- Merit
 - Commitment to excellence
 - Collegiality and multi-disciplinary approaches
- Adaptability
 - Proactive response to the rapidly changing postal environment

Vision

To be an independent regulator respected for effectively engaging postal stakeholders to promote a robust universal mail system through objective, accurate, and timely regulatory analyses and decisions

Background

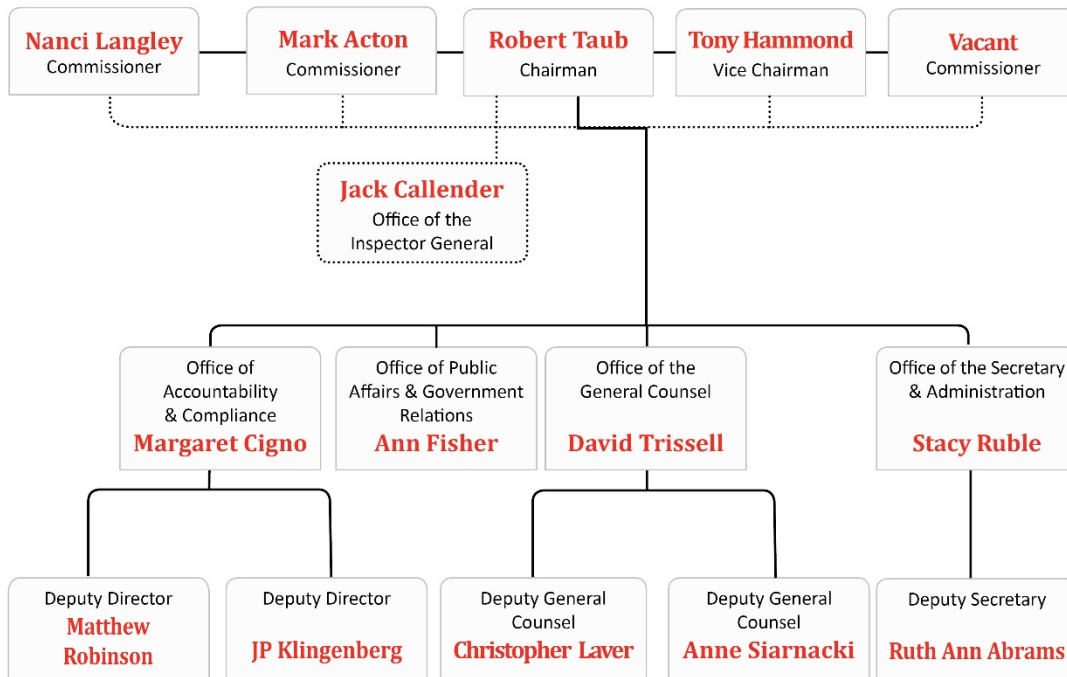
The Commission is an independent establishment of the executive branch of the United States Government, exercising regulatory oversight over the Postal Service since its creation by the Postal Reorganization Act of 1970, with expanded responsibilities under the PAEA. The Commission is composed of five commissioners, each appointed by the president, by and with the advice and consent of the Senate, for a term of 6 years. No more than three of the commissioners may be adherents of the same political party. The president designates one of the commissioners to serve as chairman. The chairman is the principal executive officer of the Commission.

Commission staff has expertise in law, economics, finance, statistics, and cost accounting, and is organized into four operating offices:

- **Accountability and Compliance.** The Office of Accountability and Compliance is responsible for technical analysis and formulation of policy recommendations for the Commission in both domestic and international matters. It provides the analytic support for Commission review of rate changes, Negotiated Service Agreements (NSAs), classifications of new products, post office closings, amendments to international postal treaties and conventions, as well as other issues.
- **General Counsel.** The Office of the General Counsel provides legal assistance on matters involving the Commission's responsibilities and authorities, including defending Commission decisions before the courts and advising the Commission on legislation, rulemaking, procurement, personnel, ethics, and all other legal matters.
- **Public Affairs and Government Relations.** The Office of Public Affairs and Government Relations is the Commission's primary resource in support of public outreach and education; media relations; and liaison with Congress, the Postal Service, and other government agencies. The office provides information for consumers and responds to their inquiries.
- **Secretary and Administration.** The Office of the Secretary and Administration (OSA) provides management and staff support to the Commission's operational offices (including the Office of the Inspector General (OIG)), the Commission's *Strategic Plan*, and various initiatives of the Executive Branch. OSA ensures that the Commission has the physical, financial, technological, and human capital infrastructure needed to accomplish its mission by providing for the management of accounting, finance, budget, records, human capital, information technology, and administrative support.

Inspector General. The Commission maintains an independent OIG. That office conducts, supervises, and coordinates audits and investigations relating to Commission programs and operations, and identifies and reports fraud and abuse.

Organizational Chart



Commission Achievements in FY 2017

The Commission achieved the following significant accomplishments in FY 2017 that support its mission to ensure transparency and accountability of Postal Service operations and foster a vital and efficient universal mail system.

1. The Commission's *Strategic Plan* was finalized with input from all levels of the organization. The plan includes the Commission's Vision Statement: To be an independent regulator respected for effectively engaging postal stakeholders to promote a robust universal mail system through objective, accurate, and timely regulatory analyses and decisions. This comprehensive plan provides a guide for the Commission's pursuit of transparency and accurate and objective analysis; commitment to active engagement with Congress and stakeholders; and support of the Commission staff. This plan also guides the use of the Commission's resources in ensuring the prudent utilization of the Commission's budget and personnel complement. The plan is posted on the Commission's webpage, www.prc.gov.
2. The Commission published five major reports in FY 2017:
 - The *Annual Report to the President and Congress* (Annual Report) described the Commission's accomplishments and activities as the regulator of the Postal Service.
 - The *Annual Compliance Determination* (ACD) reviewed the Postal Service's compliance with pricing and service standards.
 - The *Financial Analysis of Postal Service Financial Results and 10-K Statement for FY 2017* provided an in-depth analysis of the Postal Service's financial condition.
 - The *Analysis of Postal Service FY 2016 Performance Report and FY 2017 Performance Plan* evaluated whether the Postal Service met its performance goals as required under Title 39 of the United States Code (U.S.C.), section 3653(d).
 - The *Section 701 Report: Analysis of the Postal Accountability and Enhancement Act of 2006* recommended to the President and Congress legislation and other ways to improve the effectiveness and efficiency of the United States' postal laws.
3. The Commission presided over the following rate and classification proceedings in FY 2017:

- The review and approval of a proposal to adjust Market Dominant prices, including an adjustment to bundle and piece pricing for the Flats Sequencing System and Carrier Route 5-Digits categories, increased piece/pound breakpoints for Standard Mail flats, and a name change for Standard Mail. The Commission denied the Postal Service’s proposed classification change to Collect on Delivery Service because the proposed classification change was not appropriate for the rate adjustment proceeding.
 - The review and approval of four NSAs with foreign postal operators.
 - The review and approval of a request to add Inbound Market Dominant PRIME Tracked Service to the market dominant product list.
 - The review and approval of a proposal to amend prices and classification language for Move Update.
 - The review and approval of two Postal Service requests for changes in Competitive prices and classifications.
4. The Commission considered 12 Postal Service proposals for changes to accepted analytical principles. The Commission approved six proposals in full, one proposal in part, and the Postal Service withdrew one proposal. Four proposals were pending before the Commission at the end of FY 2017; the Commission responded to these proposals in FY 2018, approving three and denying one.
 5. In December 2016, the Commission began a statutorily mandated 10-year performance review of the original “system for regulating rates and classes for market-dominant products” in accordance with 39 U.S.C. 3622. The law requires the Commission to determine whether the system set up in 2006 has achieved the 9 objectives, considering 14 additional factors, which the law established. If the objectives have not been achieved, considering the factors, the statute allows the Commission an opportunity to modify or adopt an alternative system that achieves the objectives. The Commission dedicated a majority of its resources to this review throughout the fiscal year, and in early FY 2018 the Commission issued Order No. 4257 finding that the current system as a whole has not achieved the objectives of the PAEA, and Order No. 4258 proposing changes to the current system.
 6. The Commission considered issues relating to the proposed internal service performance measurement system. The Commission hosted a technical conference to review the Postal Service’s Audit Plan for the proposed measurement system, issued an interim order requesting more information from the Postal Service, and responded to a Postal Service Motion for Reconsideration. This case is still pending before the Commission.

7. The Commission is conducting rulemakings relating to rate and costing issues, including:
 - Proposed rules for the appropriate contribution to institutional costs for competitive products. The Commission issued a Notice of Proposed Rulemaking in FY 2018.
 - Proposed rules for regulating mail preparation changes that affect the price cap. The final rule was issued in FY 2018.
8. The Commission approved 316 NSAs for Competitive products (208 domestic, 108 international) and over 100 amendments to existing NSAs. Additionally, the Commission approved five Market Dominant NSAs.
9. The Commission reviewed and approved the Postal Service's calculation of the assumed Federal income tax on Competitive products in a separate docket.
10. The Commission proposed new rules and amendments concerning the standards of ethical conduct for Commission employees. The rules were approved and went into effect in early FY 2018.
11. In other proceedings, the Commission:
 - Adjudicated two post office closing appeals
 - Evaluated and approved two Postal Service requests related to market tests
 - Considered public inquiry dockets relating to city carrier costs
12. In its international postal policy role, the Commission:
 - Continued its active role in the Universal Postal Union (UPU) Letters and Parcels Remuneration Groups on international letter mail and parcel delivery rates by chairing the UPU Regulatory Issues Project Group on behalf of the U.S. Government
 - Continued collaboration on international postal issues with other government agencies such as the Department of State through its Federal Advisory Committee on International Postal and Delivery Services
 - Provided views to the Secretary of State on whether certain proposals for the 26th Congress of the UPU are consistent with the standards and criteria for modern rate regulation established by the Commission under 39 U.S.C. § 3622
 - Published a commissioned study discussing the impact of terminal dues on financial transfers among designated UPU operators

13. In FY 2017, the Commission continued its commitment to support initiatives to recruit, develop, and retain a skilled, high-achieving, and diverse workforce. At the end of FY 2017, women and minorities accounted for 59 percent and 31 percent of the workforce, respectively. Women also filled 40 percent of the Commission's executive positions; minorities filled 10 percent.

The Commission provided internship opportunities to aid in recruiting and developing professionals with diverse backgrounds to the Commission. It will continue efforts to increase diversity in the workforce through outreach and recruiting at local universities, veterans' groups, and other organizations and groups that target under-represented populations.

14. The Commission continued its commitment to transparency, accountability, and compliance with the Freedom of Information Act (FOIA). The Commission expects to receive a favorable review in the Department of Justice's FY 2017 Assessment of Agency Progress. The Commission completed all FY 2017 requests within statutory limits. The Commission also issued updated FOIA regulations in compliance with the FOIA Improvement Act of 2016.
15. As part of its mission to ensure transparency, accountability, and openness, the Commission continued to provide live and archived webcasts of hearings, technical conferences, and public meetings. These offerings were expanded in FY 2016 to include video webcasts. These are available on the Commission's website, www.prc.gov.
16. The Commission focused on improving its records management program to ensure compliance with the Presidential Memorandum on Managing Government Records (November 28, 2011) and OMB/NARA Directive M-12-18 (Directive). Annual records management training is provided to all Commission staff to educate and inform them of their records management responsibilities. In FY 2017, the Commission made significant progress in implementing a holistic electronic document and records management system, with the goal of finalizing implementation in FY 2018. The Commission received positive ratings from the U.S. National Archives and Records Administration (NARA) for proceeding with and strengthening its records management program.
17. The Commission is committed to maximizing efficient use of appropriated funds. It has strengthened financial management processes by implementing internal controls, reconciliation initiatives, and a comprehensive budget development process to ensure appropriated funds are being managed efficiently.
18. In response to the 2009 presidential memorandum regarding government contracting, and in line with Executive Order 13576, "Delivering an Efficient, Effective, and Accountable Government" (2011), the Commission is updating its procurement policy and process. The new policy is centered on strengthening the Commission's commitment to best value and promoting a fair and equitable procurement opportunity for all vendors.

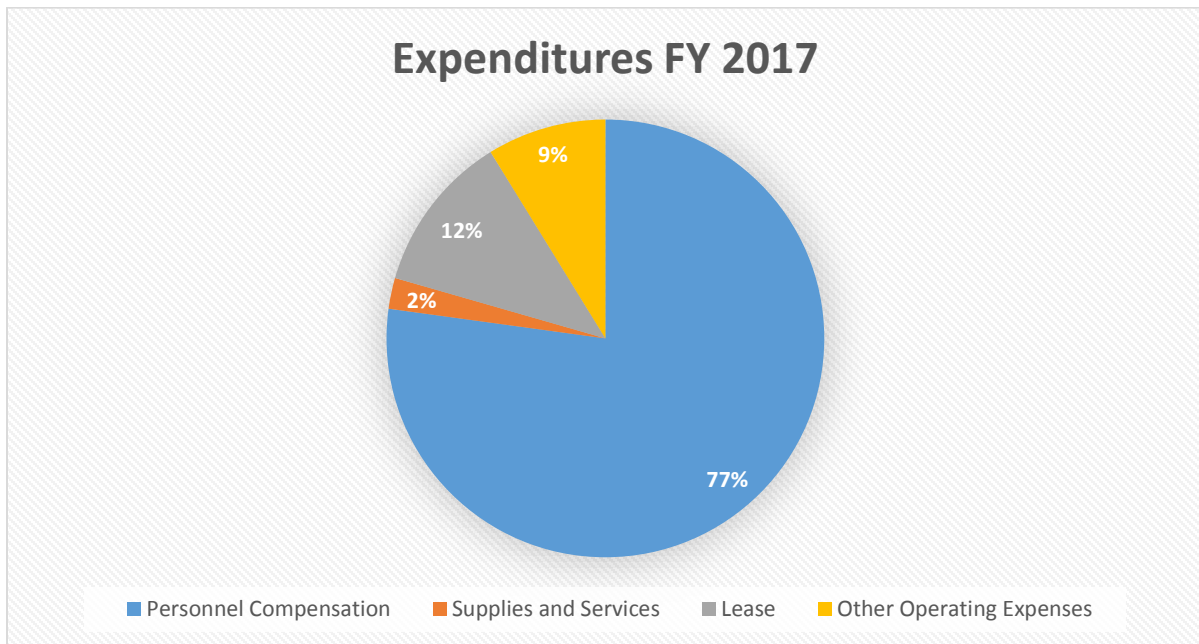
19. The Commission continued to work with the DHS's Cyber-hygiene and Continuous Diagnostics and Mitigation (CDM) programs to strengthen the Commission's cybersecurity posture and provide management with relevant and timely information about threats and vulnerabilities to the Commission IT systems. In FY 2017, the Commission had zero incidents to report to the DHS United States Computer Emergency Readiness Team (US-CERT) and did not experience any breaches of personally identifiable information.
20. The Commission issued revised compensation and performance management policies to ensure fair and transparent pay processes.
21. The Commission issued updated reasonable accommodation, flexible work program, and leave policies.
22. Other activities performed by the Commission included:
 - The implementation of the Commission's five-year *Strategic Plan* for Fiscal Years 2017-2022.
 - Processing of more than 3,866 inquiries, questions, suggestions, and comments from the general public, which primarily involved undelivered, delayed, mis-delivered, and missing mail.
 - Further website enhancements addressing ease of navigation and compliance with Section 508 of the Rehabilitation Act.

Budget Overview and Highlights for FY 2019

The Commission’s request of \$15,100,000 will allow the agency to meet its mission of ensuring transparency and accountability of the Postal Service, and fostering a vital and efficient universal mail system. To accommodate the OMB’s request in the context of developing the administration’s budget, the Commission transmits the President’s appropriation recommendation of \$15,100,000.

The Commission’s budget request for this year includes a focus on five funding priorities: FISMA compliance/cybersecurity, staffing, training, lease, and statutory obligations. If funded at much lower levels, the Commission would not be able to achieve FISMA compliance and maintain the current staffing level of 80 FTEs.

The Commission’s two primary expenditures are payroll and lease obligations. These two expenditures account for 89 percent of the annual appropriation. (See Expenditures FY 2017 below).



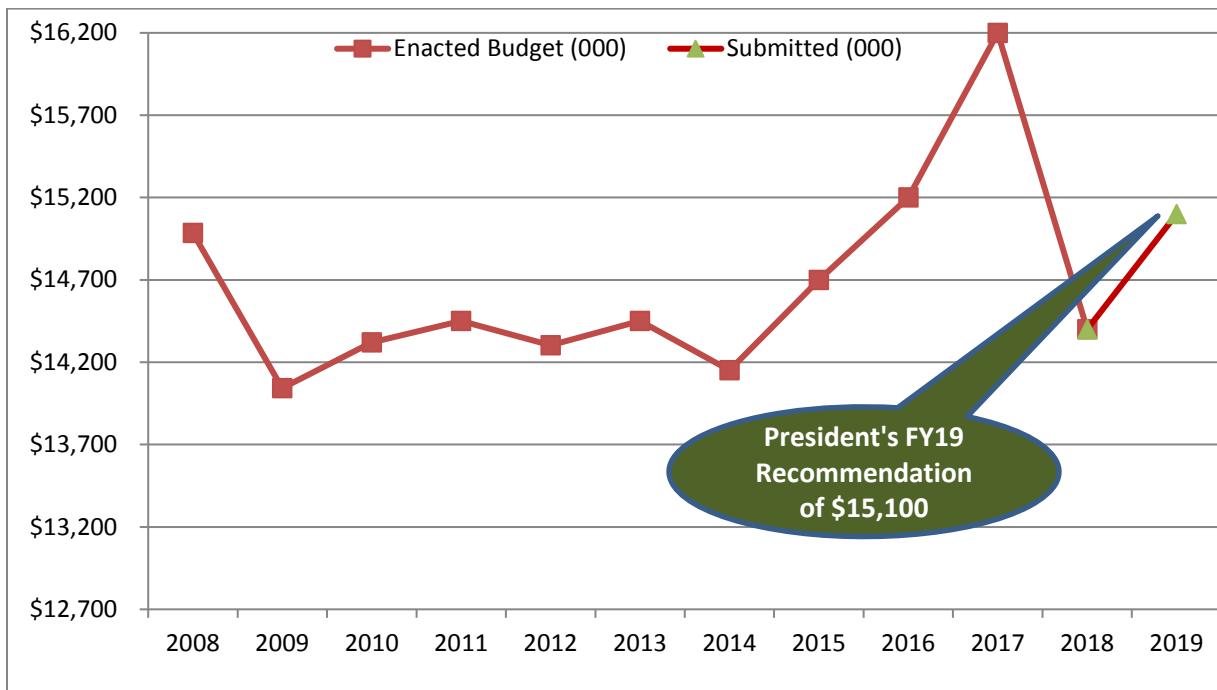
The PAEA requires the Commission to execute a broad range of responsibilities relying on a staff with a unique set of skills, knowledge, and competencies. As the Commission’s mission continues to evolve in complexity and depth, the need for training has become even more evident to keep abreast of current trends in law, economics, accounting, and policy. In FY 2017, the Commission implemented mandatory Individual Developmental Plans (IDPs) for all employees to link training to mission, strategic goals, and budget. In FY 2019, if funded as

requested by the Commission, the staff will be able to continue receiving job specific training. Prior to FY 2016, training was deferred for years due to limited funds.

The Federal Government has also experienced many well-publicized cybersecurity challenges, and has issued legislation and mandates to meet these challenges, which, in turn results in growing requirements for the IT budget line.

The Commission is committed and confident that, with the approved requested amount of \$15,100,000, the Commission will continue to achieve its mission.

FY 2008-2019 Enacted/Submitted Budget (in 000s)



Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Enacted Budget (000)	14,985	14,043	14,320	14,450	14,304	\$14,450	\$14,152	14,700	15,200	16,200		
Submitted Budget (000)											14,400	15,100

Commission's Statutory Responsibilities Increase

In FY 2017, the 10-year anniversary of the PAEA's enactment, the Commission began two critical reviews mandated by law and expects to take further action on them in FY 2018:

1. A 10-year review of the efficacy of the system for regulating rates and classes in achieving the objectives of section 3622 of Title 39 of the United States Code. This review requires a comprehensive reassessment of how rates and fees for Market Dominant products are set, which could have a critical impact on the American mailing public, business mailers, and the Postal Service. On December 1, 2017, the Commission issued its findings on whether the current system had achieved applicable statutory objectives during the first 10 years of the PAEA as well as a Notice of Proposal Rulemaking, which is currently open for public comment.
2. A 5-year review of the contribution of Competitive products to institutional costs, which is of significant import to the commercial marketplace. The Commission issued a Notice of Proposed Rulemaking in FY 2018.

The continuation of these evaluations will entail intensive work and analysis by the Commission, involve extensive public participation, and require a significant share of the Commission's resources. In FY 2019, the Commission expects to experience increased workload related to any potential changes resulting from the 10-year review.

In Addition to Statutory Mandates, Workload Continues to Grow

The Postal Service's efforts to adjust to national changes in mail usage will require the Commission to continue to hear cases of major national policy import. The Commission will need to review additional Postal Service proposals to right size its network and will be required to provide needed oversight as the Postal Service tries to make greater use of its pricing flexibility under the PAEA. The Commission will need to apply substantial resources to measure the impact of changes implemented by the Postal Service and to fully evaluate and respond to new ideas that result in innovative products and services, greater efficiencies, and cost savings for the Postal Service.

As the Postal Service implements changes to operating hours, delivery service, and the processing infrastructure, the Commission will in turn be required to adjudicate several highly complex cases related to these changes. Additionally, as the Postal Service proposes new products, services, and NSAs to generate additional revenue, the Commission must review these initiatives and service agreements to ensure a predictable, transparent, and effective system of rate and product regulation that complies with the law. As a result, the Commission will handle an increasing number of complex dockets.

The Commission anticipates many new challenges as the Postal Service and interested stakeholders explore the legal boundaries of the PAEA. For example, the Commission anticipates processing an increasing number of contentious cases involving requests to expand the number of Postal Service Competitive product offerings, either through the creation of new Competitive products or the transfer of existing Market Dominant products to the Competitive products list.

As in previous years, the Commission will issue its primary regulatory document, the ACD, assessing the Postal Service's compliance with ratemaking regulations and applicable laws. In the report, the Commission will review and determine whether Market Dominant rates are within the Consumer Price Index rate cap, whether Competitive products are subsidized by Market Dominant products, and whether Competitive products pay their attributable costs as well as an appropriate share of fixed postal costs. The report will also evaluate the Postal Service's service performance. The Commission will also issue three additional reports: *The Analysis of United States Postal Service Financial Results and 10-K Statements*, *Analysis of the Postal Services FY 2017 Program Performance Report and FY 2018 Performance Plan*, and *Annual Report to the President and Congress*. The Commission may also undertake special studies requested by the Postal Service, Congress, or as needed to complete its statutory responsibilities. Additionally, the Commission has completed studies on: infra-marginal and institutional costs, terminal dues, postal elasticity, cost elements of the Universal Service Obligation, and cost elements of the value of the postal monopoly.

The Commission also serves an integral role in helping the Department of State to formalize and promote U.S. Government positions in the UPU, particularly in promoting greater transparency and accountability.

Cybersecurity and Information Technology Infrastructure Improvements

The Commission seeks to improve its IT infrastructure and cybersecurity posture by implementing much-needed security enhancements and upgrades to the external website and dockets system. Great strides were made in prior years toward hardening our systems and increasing our monitoring capabilities. In FY 2019, if funded as requested by the Commission, the Commission will continue these critical projects to ensure the security of our data and systems in the face of increased cybersecurity threats, by obtaining up-to-date technology that ensures cyber risks are systematically and effectively identified, evaluated, and mitigated. One result of implementing increased capabilities is the on-going budgetary impact of annual licensing, service, and maintenance fees.

The Commission also intends to continue with other modernization initiatives, including enhancements to the Commission website to ensure compliance with Section 508 of the

Rehabilitation Act, and network exfiltration, phishing, and penetration testing. In FY 2016, the Commission submitted its transition plan to the General Services Administration (GSA) as required for the upcoming telecommunication transition from Networx to Enterprise Infrastructure Solutions (EIS). In FY 2019, the Commission will continue to work with GSA on the transition activities to ensure that the Commission has a compliant and up-to-date telecommunication infrastructure by FY 2020.

The Commission needs to continue developing a modernized digital infrastructure with emphasis on records management. In FY 2019, the Commission will finalize the implementation of an electronic records management system, including email and document control. This system provides compliance with OMB/NARA Records Management directives, and improves the safeguards and security of our records.

All of these enhancements and upgrades would be suspended if the enacted budget is significantly reduced below the Commission's request.

Budget Program Information

The Commission’s FY 2019 Performance Budget Plan has four programs consisting of: (1) Postal Service Accountability; (2) Public Access and Participation; (3) Integration and Support; and (4) the OIG. These programs are aligned with the goals contained in the Commission’s *Strategic Plan*.

Note: This is the full amount requested by the Inspector General to fund OIG personnel (including detailees), travel, and training.

Program	FY17		FY 2018 President’s Request		FY 2019 President Request	
	\$000	FTE	\$000	FTE	\$00	FTE
Postal Service Accountability	7,875	47	7,000	47	7,350	47
Public Access & Participation	1,125	13	1,000	13	1,080	13
Integration & Support	6,075	17	5,400	17	5,670	17
Office of the Inspector General	1,125	3	1,000	3	1,000	3
Total	16,200	80	14,400	80	15,100	80

Proposed Appropriations Language

Postal Regulatory Commission

Salaries and Expenses

(including transfer of funds)

For necessary expenses of the Postal Regulatory Commission in carrying out the provisions of the Postal Accountability and Enhancement Act (Public Law 109-435), \$15,100,000, to be derived by transfer from the Postal Service Fund and expended as authorized by section 603(a) of such Act.*

* NOTE: Pursuant to 39 U.S.C Section 2009, "The President shall include [the Commission's appropriation request], with his recommendations but without revision, in the budget transmitted to Congress under section 1105 of title 31." To accommodate the OMB's request in the context of developing the administration's budget, the Commission transmits the President's appropriation recommendation of \$15,100,000, \$836K less than the Commission's original request of \$15.936.

Obligation by Object Classification

Object Classification	FY 2017	FY 2018 President's Recommendation	FY 2019 President's Recommendation
Personnel Compensation	12,248	12,248	12,182
Other Personnel Compensation	170	0	0
Subtotal	12,418	12,248	12,182
Supplies	41	12	1
Office Furniture & Equipment	8	0	0
Office Equipment Rental & Repair	15	0	0
Contractual Services	249	50	6
Consulting Services	986	0	1
Advertising	8	0	0
Bldg. Repairs & Alterations	30	0	0
Subtotal	1,337	62	8
Travel	24	0	1
Training	54	0	1
Printing & Reproduction *	90	0	82
Lease	1,848	1,980	2,059
Miscellaneous, Subscriptions	2	0	0
Communications	170	90	0
Information Technology	257	20	767
Subtotal	2,445	2,090	2,910
Total Obligations	16,200	14,400	15,100
* Printing - Federal Register mandatory filing \$82K			

Strategic Goals, Work Plans, and Performance Objectives

Postal Service Accountability

Strategic Goal 1 - Deliver accurate and objective analyses and decisions to ensure transparency and accountability of the Postal Service.

- **Strategic Objective 1.1.** Thoroughly and accurately analyze and apply statutes, regulations, and Commission precedent.
- **Strategic Objective 1.2.** Ensure transparent, accurate, and informative Postal Service reporting for evaluation of lawful compliance of rates and service performance.
- **Strategic Objective 1.3.** Responsibly, transparently, and efficiently lead the review of the existing statutory system for regulating rates and classes for Market Dominant products, as well as consider, and, if necessary, implement modifications or an alternative system.
- **FY 2019 Work Plan Strategies**
 - Analyze, develop, and implement public policy as it relates to postal matters.
 - Execute a visible and effective advisory role with regard to measureable and dynamic Postal Service and mail delivery service performance.
 - Consult on, revise, and augment performance standards and goals for Market Dominant products.
 - Assess and refine the rules, regulations, and systems established for publication of relevant Postal Service data.
 - Prepare analytical framework.

FY 2019 Work Plan:

- Review and evaluate Postal Service financial data.
- Enforce compliance determinations.
- Review and evaluate Postal Service international data and proposals for the UPU.

The Commission will measure success by the timeliness, thoroughness, relevance, and accuracy of readable work products. These indicators will be supplemented by feedback from commissioners and staff, the Postal Service, the State Department, and other stakeholders.

- Execute a visible and effective advisory role in regard to Postal Service proposals for changes in the nature of U.S. postal services, such as proposed changes in nationwide services. Issue special reports on Commission evaluation of potential policy and systemic changes.

- On an annual basis, evaluate compliance with standards for service performance (39 U.S.C. section 3653) and continue to evaluate the extent to which the Postal Service must use an external versus an internal measurement system.
- Consult on, revise, and augment performance standards and goals for Market Dominant products.
- Review quarterly service performance data and maintain reports on website.

The Commission will measure success by the timeliness, quality, thoroughness, and accuracy of readable work products, as well as its relevance and actionable advice. These indicators will be supplemented by feedback from commissioners, the Postal Service, Congress, the postal community, and other stakeholders.

- Refine and augment the system for regulating rates and classes for Market Dominant products.
- Review and evaluate Postal Service proposals to move products between Market Dominant and Competitive product classifications.
- Review, analyze, and evaluate workshare discounts, NSAs, and market tests. Issue timely, accurate reports and findings on these reviews.
- Review, analyze, and evaluate Postal Service requests for rate changes.
- Review Postal Service and other parties' requests for changes to cost methodologies.

The Commission will measure success by the timeliness, thoroughness, and accuracy of its readable work products. These indicators will be supplemented by feedback from commissioners, the Postal Service, Congress, the postal community, and other stakeholders.

- Calculate cost of the Universal Service Obligation on an annual basis.
- Maintain and improve understanding of universal mail system.

The Commission will measure success by the timeliness, thoroughness, relevance, and accuracy of its readable work products. These indicators will be supplemented by feedback from commissioners, the Postal Service, Congress, the postal community, and other stakeholders.

Public Access and Participation

Strategic Goal 2 - Actively engage with Congress and stakeholders in support of a dynamic postal system.

- **Strategic Objective 2.1.** Continue to strengthen proactive and responsive communication to foster a collaborative relationship with Congress.
- **Strategic Objective 2.2.** Foster constructive communications with the Postal Service and stakeholders to streamline the regulatory process.
- **Strategic Objective 2.3.** Clearly communicate complex analyses and decisions to address the needs of diverse stakeholders.

- **FY 2019 Work Plan Strategies**
 - Effectively communicate the outcome of Commission work to Congress in a timely fashion.
 - Update the strategic communication plan to facilitate targeted congressional outreach.
 - Participate in hearings on postal regulatory related matters.
 - Facilitate efficient and effective Commission regulatory process and clearly articulate Commission expectations and timelines.
 - Strengthen open communications with stakeholders.

FY 2019 Work Plan:

- Maintain and update comprehensive strategy for outreach to the public and media. Implement consistent messaging, updating, and branding for public documents and the Commission’s website.
- Continue to enhance government relations through proactive outreach and relationship building with Congress, the Executive Branch, Federal, state, and local governments.
- Maintain a timely system to track, analyze, and respond to public and consumer inquiries and correspondence, including “informal complaints.”
- Identify legislative and public affairs priorities. Develop Commission Annual Report.

The Commission will measure success by responding to public inquiries within 72 hours, barring exceptional circumstances.

- Maintain a consistent, transparent, and equitable formal complaint system that provides timely and proper due process to complainants and the Postal Service.

- Identify patterns in appeals and complaints and order appropriate remedies to achieve compliance.

The Commission will measure success by the:

- Percentage of post office appeals resolved within 120 days
- Percentage of formal complaints in which affirmative action was taken within 90 days
- Percentage of rate and service inquiries in which responsive information is obtained within 60 days

The Commission will review and update as necessary procedures for appeals and complaints at least every 5 years.

- Conduct public outreach through traditional media, technology tools, and other methods to ensure wide public notice of all Commission proceedings.
- Review and simplify processes through which members of the public may provide their input on the Commission's decision-making processes.
- In conformance with Commission policy, continually review and provide guidance to those appointed to represent the interests of the general public in Commission proceedings in order to improve performance.

Integration and Support

Strategic Goal 3 - Provide an optimal internal infrastructure to support management of priorities, workload, and emerging requirements.

- **Strategic Objective 3.1.** Optimize support infrastructure to manage and advance system capability, requirements, and security.
- **Strategic Objective 3.2.** Prioritize and manage workload to increase capacity and agility.
- **Strategic Objective 3.3.** Collaboratively work across functions to maintain open internal communication and address emerging requirements.

Strategic Goal 4 - Recruit, develop, and retain a diverse, high-performing workforce.

- **Strategic Objective 4.1.** Exercise Commission flexibilities to attract and retain a diverse, high-performing workforce.

- **Strategic Objective 4.2.** Maintain fair and impartial human capital management.
- **Strategic Objective 4.3.** Continue to enhance the Commission’s commitment to being an employer of choice.
- **FY 2019 Work Plan Strategies for Strategic Goals 3 and 4**
 - Optimize IT capabilities.
 - Strengthen and modernize the records management program.
 - Streamline and standardize procurement policies and processes.
 - Maintain ongoing communication of priorities among commissioners and senior staff.
 - Collaborate to develop and effectively communicate administrative guidance and investment priorities.
 - Attract and hire qualified and diverse candidates consistent with Federal laws.
 - Strengthen relationships with affinity groups to ensure diverse outreach efforts.
 - Maintain the Commission’s strong commitment to equal employment opportunity.
 - Involve employees and participants as agents of diversity, inclusion, and mutual respect.
 - Continue refining administrative and HR analytics to inform decision-making.

FY 2019 Work Plan for Strategic Goals 3 and 4:

- Develop and maintain the Commission’s annual budget and fiscal processes based on administration guidance.
- Assess all IT security policies, practices, and enforcement procedures to ensure functionality and security of electronic communication systems such as website, dockets, LAN, webcasts, email, VOIP, etc.
- Execute FY 2019 IT project plan.
- Ensure that Commission records are properly maintained in accordance with policies and procedures.
- Ensure the website – both internal and external – is current, accessible, and useful to stakeholders.
- Continue to maintain financial controls to ensure adequate fiscal responsibility.
- Ensure equipment and facilities are sufficient, safe, and secure.
- Implement necessary technology to improve records management, including systems necessary to manage all electronic records.
- Enforce up-to-date IT security requirements.

The Commission will measure success in IT management by:

- Tracking implementation of IT project plan
- Refining and updating metrics and reports to measure success of IT implementations and cybersecurity features

The Commission will measure success in records management by:

- Ensuring a score above 85 on NARA's annual assessment
- Ensuring that the Commission meets its records management goals and is in compliance with the NARA directive deadlines
- Ensuring that the Commission is "all green" on the annual FOIA assessment

The Commission will measure success in financial management by:

- Decreasing the monthly variance of actual expenditures to the budgeted amount
- Maintaining the efficiency of resource utilization within the appropriated budget
- Tracking and implementing cost saving measures when identified, and providing the secretary with a comprehensive list of cost savings/avoidance achieved

The Commission will measure success in human resource management by:

- Continuing to execute the Human Capital Strategic Plan to ensure alignment of the workforce and work environment with the Commission's mission
- Implementing hiring policies and procedures, including more robust tracking of targeted recruitment efforts to attract and select highly qualified candidates into positions required to achieve the mission within projected budget constraints
- Continuing to implement a performance management system that rewards outstanding contributions to the Commission and addresses employee development to retain high performing staff
- Identifying and sponsoring training and development opportunities to develop employees
- Continuing to monitor the results of the Federal Employee Viewpoint Survey and implementing solutions to achieve continuous improvement
- Maintaining and enforcing up-to-date human resources policies and procedures (e.g., compensation, benefits, Equal Employment Opportunity) to ensure a fair, consistent, and sustainable application.

Office of the Inspector General

The Commission's Office of the Inspector General was established in June 2007 as required by an amendment to the Inspector General Act of 1978 included in the PAEA. The Commission's Inspector General has a dual reporting responsibility to both commissioners and Congress.

The role of the OIG is to detect and deter fraud, waste, abuse, and mismanagement within Commission programs, as well as to promote efficient and effective use of Commission resources. To accomplish this, the OIG conducts, supervises, and coordinates independent audits, inspections, evaluations, and other reviews in accordance with applicable law. The OIG communicates the results of these assessments to commissioners, Commission management, Congress, other oversight entities as appropriate, and to the public. Generally, the OIG communicates these results in formal reports that contain findings and recommendations aimed at correcting any deficiencies identified and at promoting efficiency and effectiveness in Commission programs and operations.

The OIG maintains a hotline to allow employees and the public to anonymously report allegations of fraud, waste, abuse, and mismanagement.

The OIG requested \$594,000 for the office's personnel, travel, and training costs as well as the Commission contribution to the Council of Inspectors General on Integrity and Efficiency (CIGIE). The request includes amounts to satisfy the training requirements cost of \$2,750 and anticipated CIGIE dues of \$1,500.