Postal Regulatory Commission
Congressional Budget Justification
(Performance Budget Plan)
Fiscal Year 2016
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Executive Summary

The Postal Regulatory Commission is an independent agency created by the Postal Accountability and Enhancement Act (PAEA) in 2006 to provide strengthened oversight of the United States Postal Service. The Commission promotes high quality universal mail service for the American people by ensuring Postal Service transparency, accountability, and compliance with the law. The Commission is the primary regulator of the Postal Service and works to provide a window on postal financial operations to Congress, stakeholders, and the general public.

Over the last several years, the Commission has experienced a complex and increasing workload because of the significant financial difficulties being experienced by the Postal Service. To ameliorate its large financial losses, the Postal Service has implemented and may continue to propose a broad range of initiatives affecting operations and service to the public. These proposals have necessitated increased regulatory activity by the Commission. Since FY 2009, docketed cases have significantly increased in complexity, particularly those related to changes in the nature of service.

We anticipate that the complexity of cases will continue to rise, and that our analysis will need to be expedited to continue to provide a consistent level of relevant and constructive decisions, reports, and analyses for the Postal Service and Congress. The Commission therefore plans to increase staffing from 75 to 77 Full Time Equivalents (FTEs) in FY 2016. The FY 2016 budget request of $15,538,000 would provide this staffing level and preserve the Commission’s capacity to meet its statutory obligations, including providing timely responses to a growing number of Postal Service restructuring proposals that decrease cost and new product initiatives that increase revenue.

In anticipation of the burgeoning workload, measures were implemented starting in 2009 to improve efficiency and productivity and to streamline processes to reduce costs. As outlined further in this document, the Commission seeks to continue to implement process improvements and to improve its information technology infrastructure to minimize staffing requirements.
The Commission’s funding comes directly from the postal rates and fees paid by postal customers through the Postal Fund and not from tax receipts. The PAEA seeks to ensure the Commission’s independence by authorizing the submission of its budget request to Congress separate from the Postal Service.

**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
**Background**

The Commission is an independent establishment of the executive branch of the United States Government. It has exercised regulatory oversight over the Postal Service since its creation by the Postal Reorganization Act of 1970, with expanded responsibilities under the Postal Accountability and Enhancement Act (PAEA) of 2006. It has five commissioners, each appointed by the president, by and with the advice and consent of the Senate, for a term of 6 years. After the expiration of his or her term, a commissioner may continue to serve for up to 1 year or until a successor is confirmed. No more than three members of the Commission may be from one political party.

Commission staff has expertise in law, economics, finance, statistics, and cost accounting.

The Commission is organized into four operating offices:

- **Accountability and Compliance.** The Office of Accountability and Compliance is responsible for technical analysis, which includes economic formulations, econometric modeling, financial, statistical, and data analysis, pricing reviews, and analysis of market structure. It also formulates policy recommendations for the Commission in domestic and international matters.

- **General Counsel.** The Office of the General Counsel provides legal assistance on matters involving the Commission’s responsibilities, defends Commission decisions before the courts, manages the formal complaint process, and ensures the Commission fulfills its statutory responsibilities.

- **Public Affairs and Government Relations.** The Office of Public Affairs and Government Relations facilitates prompt and responsive communications with the public, Congress, Federal agencies, the Postal Service, and media.
• **Secretary and Administration.** The Office of Secretary and Administration records the Commission’s official actions; manages the Commission’s records, human resources, budget and accounting, and information technology; and provides other support services.

The Commission maintains an independent Office of the Inspector General. It conducts, supervises, and coordinates audits and investigations relating to Commission programs and operations, and identifies and reports fraud and abuse in these programs and operations.

The Commission’s mission is to ensure transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission’s *Strategic Plan* outlines its strategic goals, implementation approaches, and accountability plans for 2012 to 2016. Each quarter, the commissioners meet with agency office heads to gauge progress toward meeting these goals and carrying out the Commission’s mission, and to ascertain where challenges might exist and the plan to address them. Each office head is responsible for presenting commissioners with an updated action plan for discussion. As the Commission’s principal executive officer, the chairman uses these action plans to implement the *Strategic Plan*. 
Postal Regulatory Commission Organizational Chart

* 39 U.S.C. § 505 - The PRC shall designate an Officer of the Commission in all public proceedings who shall represent the interests of the general public.
Postal Regulatory Commission Achievements in Fiscal Year 2014

The Postal Regulatory Commission made the following significant accomplishments in Fiscal Year (FY) 2014. All of the Commission’s activities supported its mission: to ensure transparency and accountability of Postal Service operations and foster a vital and efficient universal mail system.

1. The Commission published four major reports in FY 2014:
   - **Annual Report to the President and Congress (Annual Report)**, describing the Commission’s accomplishments and activities as the regulator of the U.S. Postal Service
   - **Annual Compliance Determination (ACD)**, reviewing the Postal Service’s compliance with pricing and service standards
   - **Analysis of Postal Service Financial Results and 10-K Statement for Fiscal Year 2013**, providing an in-depth analysis of the Postal Service’s financial health

   The **Analysis of Postal Service Financial Results and 10-K Statement** and the **Review of Postal Service FY 2013 Performance Report and FY 2014 Performance Plan** are new publications introduced in FY 2014. Their contents used to be included as chapters in the ACD, but the Commission decided to create separate, more detailed reports to provide a more comprehensive review of the Postal Service’s finances and performance goals.

2. The Commission expeditiously presided over the following major proceedings during the first half of the year, completing its review in 90 days:
   - A rate adjustment due to extraordinary or exceptional circumstances (commonly known as the “exigency case”)
   - A Nature of Service case regarding service changes associated with Standard Mail load leveling

3. The Commission considered seven postal rate price adjustment requests by the Postal Service for Market Dominant and Competitive products.

4. The Commission reviewed 17 Postal Service proposals to revise costing methodologies.
5. The Commission approved 83 negotiated service agreements (NSAs) (76 Competitive, 7 Market Dominant).

6. The Commission reviewed five proposed changes to the Market Dominant and Competitive products lists in the *Mail Classification Schedule*. These included the addition of a Gift Cards price category, a proposal for private address forwarding, the transfer of Inbound Surface Parcel Post, and *Mail Classification Schedule* changes for Priority Mail Express International, Restricted Delivery, and Pickup On Demand.

7. The Commission evaluated several complaint cases filed against the Postal Service:

   - The first complaint, filed by the American Postal Workers Union, alleges that the Postal Service is not complying with Market Dominant service standard regulations in violation of Title 39 of the U.S.C. This complaint is under review.
   - The second complaint concerned a change in retail hours in the San Francisco District. The Commission dismissed this complaint on July 28, 2014.
   - The Commission also resumed consideration of an appropriate remedy in a complaint proceeding in which it had previously found that the Postal Service engaged in unlawful discrimination against a DVD mailer. In FY 2013, the mailer successfully challenged on appeal the appropriateness of the Commission’s original remedy, which the appellate court remanded for further investigation by the Commission. At the conclusion of the remand proceeding, the Commission prescribed a revised rate for round-trip DVD mail designed to remedy undue discrimination by the Postal Service. The revised rate was upheld on appeal; therefore, the complaint case was closed.

8. The Commission conducted several rulemaking proceedings. It published proposed rules regarding the treatment of rate incentives and *de minimis* rate increases under the price cap. It adopted three final rules that:

   - Streamline advisory opinions on nationwide changes in postal services requested by the Postal Service under 39 U.S.C. § 3661
   - Clarify rate incentives and *de minimis* rate increases under the price cap
   - Implement regulations for market tests of experimental products
9. In other proceedings, the Commission:

- Established three dockets to evaluate improvements in measurements of price elasticities and Internet diversion; the scope of public service or activity cost reporting in the *Annual Report*; examined and reviewed a Postal Service request to conduct a market test of an experimental product, Customized Delivery
- Considered a Postal Service request to extend and expand the Metro Post market test
- Issued an order granting a Postal Service petition to eliminate a periodic reporting rule requiring an alternative format *Cost and Revenue Analysis* report
- Issued three requests for proposals for studies on inframarginal costs, terminal dues, and Postal Service Parcel products
- Reviewed four Post Office closing appeals
- Completed a study of the savings to the Postal Service for reducing the delivery of mail from 6 days to 5 days while maintaining Six-Day Delivery for package service
- Completed a study of unit avoidable costs that underlie worksharing discounts
- Responded to nearly 10,000 inquiries, questions, suggestions, complaints, and comments from the general public, primarily involving undelivered, delayed, misdelivered, and missing mail
- Proceeded with a major modernization of the external website to ensure the content of Commission and Postal Service operations is accessible and transparent to all stakeholders

10. With respect to international postal responsibilities, the Commission:

- Evaluated 54 Universal Postal Union (UPU) proposals to amend the UPU Acts in accordance with 39 U.S.C. § 407(c)(1)
- Continued its active role in the 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
- Furthered its long-standing commitment to building solid working relationships with other postal regulators in promoting a high-quality, affordable universal service network for citizens worldwide
• 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

In FY 2014, the Commission again participated in the Federal Employee Viewpoint Survey. The Commission is committed to developing strategic action plans based on the survey results. The Commission’s response rate (66 percent) was higher than the government-wide rate (59 percent). Compared with responses in six indices from staff at other small Federal agencies, Commission staff had a higher degree of satisfaction and a more positive view of their work and office environment.

Over the last several years, the Commission has successfully managed a rapidly increasing workload within a challenging budgetary climate. In response to these challenges, it has designed programs for training and professional development directed at employee engagement and retention.

This year, the Commission ensured that employees were in compliance with mandatory training requirements in areas such as cybersecurity, the Hatch Act, ethics, and travel card usage.

During FY 2014, the Commission had no formal Equal Employment Opportunity complaint filings. To sustain its commitment to maintain a diverse and competent workforce, the Commission requires all staff to complete annual training about Equal Employment Opportunity and the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002.

In FY 2014, the Commission continued its commitment to support initiatives to recruit, develop, and retain a skilled, high-achieving, and diverse workforce. Women and minorities account for 66 percent and 35 percent of the workforce, respectively. Women fill 41 percent of the Commission’s executive positions; minorities fill 8 percent.

The Commission provides internship opportunities to aid the recruitment and development of professionals with diverse backgrounds. It will continue to monitor and offer opportunities to increase diversity, including the use of formal recruitment channels such as local universities, veterans’ groups, and other organizations and groups that target under-represented populations.
The Commission continued its commitment to transparency, accountability, and its compliance with the Freedom of Information Act. In FY 2014, it enhanced network, website, and security measures, receiving a favorable review in the Department of Justice’s FY 2014 *Assessment of Agency Progress*.

As part of its mission of ensuring transparency, accountability, and openness, the Commission continued to provide live audiocasts of hearings, technical conferences, and public meetings. These are available on the Commission’s website, [www.prc.gov](http://www.prc.gov).

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 continued to improve its contracting policy and standard operating procedures, resulting in increased accountability and cost savings. The Commission continues to work within budget, improving accounting and contracting processes so they are more cost-effective and efficient. Furthermore, the Commission has successfully partnered with women and minority-owned businesses.

Improvements to the Commission’s docket infrastructure are nearly complete. The new system will optimize public access and ease of use, and maintain the integrity of Commission records. Building on last year’s infrastructure update, the Commission converted employees to virtual desktops and upgraded phone and Internet systems. These initiatives have increased the Commission’s cybersecurity posture and are providing employees a smooth work interface. The Commission is also on schedule to launch its new website in early FY 2015. It will be more user-focused and -friendly, and address accessibility issues. All of these information technology improvements continue the Commission’s commitment to openness and transparency.

In FY 2014, the Dockets section completed a thorough review of internal and external access to protected materials. All internal users were notified of new procedures governing access to these materials.

Records management team members have continued to receive training under the guidance of the National Archives and Records Administration, which approved a revised Commission records schedule. During a records management evaluation in FY 2014, the Commission
received good ratings and sound guidance for proceeding with and expanding its records management program. In consultation with the National Archives and Records Administration, the Commission completed a comprehensive inventory of its records and began updating key material such as file plans and a records management manual.
**Budget Overview and Highlights for Fiscal Year 2016**

The PAEA requires the Commission to execute a broad range of responsibilities, relying on a staff with a unique mix of skills and abilities and modern information technology systems to ensure enhanced communication with the public.

Over the last several years, the Commission has accommodated an increasingly heavy and complex workload, as well as higher operating costs, within funding levels that have remained constant. This has been achieved by adhering to the spirit of administration guidance on personnel compensation, implementing formal performance management policy and procedures, and numerous management efficiencies. For example, office space was reconfigured to house increased staff within existing office space, and rent was renegotiated for leased space to below market rates. Nevertheless, professional staff costs have risen 20% since FY 2009 largely due to the increasing cost of benefits, and rent will increase by 2.2% annually.

The Commission is requesting a budget of $15,538,000, which will allow the Commission to accommodate contracted rent escalation, increase staffing to the complement of 77 FTEs, and properly maintain and improve the docketing system. This funding level will enable the Commission to react quickly to Postal Service proposals for restructuring and new products and other docketed cases so that it can provide relevant and timely advice to inform the decision-making process.

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 may need to review further Postal Service proposals to right size its network and will provide oversight as the Postal Service tries to make greater use of its pricing flexibility under the PAEA. The Commission expects 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 Postal Service innovative products and services, greater efficiencies, and cost savings.
As the Postal Service implements changes to operating hours, delivery service and the processing infrastructure, the Commission expects that it may be requested to adjudicate many highly complex cases related to these changes. Additionally, the Commission expects the Postal Service to propose the introduction of new products, services, and Negotiated Service Agreements 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. Inevitably, a large volume of dockets is expected to continue.

As in previous years, the Commission will issue its primary regulatory document, an Annual Compliance Determination assessing the Postal Service’s compliance with the ratemaking regulations and applicable laws. In the report, the Commission will review and determine whether market dominant rates are within the Consumer Price Index (CPI) 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 Commission will also issue three additional important reports: The Annual Report, Analysis of Postal Service Financial Results and 10-K, and Review of Postal Service Performance Plans and Program Performance. The Commission may also undertake special studies requested by the Postal Service, Congress, or as needed to complete its statutory responsibilities.

The Commission plays a key 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. The Commission will work through an interagency process led by the Department of State to review and negotiate proposals for adoption at the UPU, provide continued leadership at the bilateral and multilateral level, and promote the exchange of information and best practices among postal regulators around the globe. FY 2016 is a critical year within the UPU as the quadrennial UPU Congress will take place. The UPU Congress is the plenipotentiary body of this intergovernmental organization that has the authority to change the UPU Acts that contain rates and classifications for market dominant products.
Progress will continue in developing a modern supporting infrastructure. The Commission will continue to ensure that its Records Management program is fully coordinated with the National Archives, and plans to implement an electronic records management system, including email and document control. The Commission plans to automate its Human Resources management processes and invest in IT that will ensure the security and stability of key applications and infrastructure. It will also focus on those systems and applications that facilitate transparency and public access and that directly impact the productivity and efficiency of the staff.

Activities in FY 2016 have the potential to vary significantly depending on the Postal Service’s financial challenges, and potential structural and service changes. As noted, if the postal network continues to be consolidated, it is likely that the Commission will experience an increase in rulemakings seeking to change analytical principles, post office closing appeals, complaints, and depending on the nature of those changes, requests for advisory opinions on changes in the nature of postal services. In addition, the Commission will evaluate its current regulations and revise or update them as necessary.

The Commission anticipates many new challenges as the Postal Service and interested stakeholders explore legal boundaries under the PAEA. For example, the Commission expects an increasing number of contentious cases involving requests to expand the number of Postal Service competitive product offerings, either through the creation of a new competitive product or the transfer of an existing market dominant product to the competitive product list.
**Budget Program Information**

The Commission’s FY 2016 Performance Budget Plan has four programs consisting of: (1) Postal Service Accountability; (2) Public Access and Participation; (3) Integration and Support; and (4) the Office of the Inspector General (OIG). These programs are aligned with the goals contained in the Commission’s Strategic Plan for FY 2012 – FY 2016.

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016 Request</th>
</tr>
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<tr>
<td></td>
<td>$000</td>
<td>FTE</td>
<td>$000</td>
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<tr>
<td>Postal Service Accountability</td>
<td>3,709</td>
<td>25</td>
<td>3,767</td>
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<tr>
<td>Public Access &amp; Participation</td>
<td>4,450</td>
<td>30</td>
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<td>Integration and Support</td>
<td>5,417</td>
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<td>Office of the Inspector General</td>
<td>576</td>
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<td><strong>Total</strong></td>
<td><strong>14,152</strong></td>
<td><strong>72</strong></td>
<td><strong>14,700</strong></td>
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* This is the full amount requested by the Inspector General to fund OIG personnel (including detailees), travel, and training.

**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), $15,538,000, to be derived by transfer from the Postal Service Fund and expended as authorized by section 603(a) of such Act: Provided, That unobligated balances remaining in this account on October 1, 2016 shall be transferred back to the Postal Service Fund.
## Obligation by Object Classification

<table>
<thead>
<tr>
<th>OBJECT CLASSIFICATION</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>FY 2016 Request</th>
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<tr>
<td>Personnel Compensation</td>
<td>10,659</td>
<td>11,175</td>
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<td>Other Personnel Compensation</td>
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<td>80</td>
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<td>10,765</td>
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<td>235</td>
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<tr>
<td>Office furniture and equipment</td>
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<td>20</td>
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<tr>
<td>Office equipment rental and repair</td>
<td>25</td>
<td>34</td>
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<tr>
<td>Contractual services</td>
<td>135</td>
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<tr>
<td>Consulting services</td>
<td>856</td>
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<tr>
<td>Advertising</td>
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<td><strong>Subtotal</strong></td>
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<td>Travel*</td>
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<td>Training</td>
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<td>Printing and reproduction</td>
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<td>International Policy Development*</td>
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<tr>
<td>Rent</td>
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<td>Communications</td>
<td>60</td>
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<td><strong>Subtotal</strong></td>
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<td>Total Obligations</td>
<td>14,152</td>
<td>14,700</td>
<td>15,538</td>
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*Effective FY 2015, international travel is included in the Travel line item.
Strategic Goal 1: Postal Service Accountability

Performance Objectives

Ensure transparent, effective, and lawful Postal Service systems and services.

A. Financial Accountability and Compliance

Ensure transparent, accurate, and informative Postal Service reporting sufficient for evaluation of lawful compliance and financial performance.

FY 2016 Work Plan:

1. Review and evaluate Postal Service financial data.
2. Enforce compliance determinations.
3. 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.

B. Service Performance Evaluation

Ensure appropriate and transparent Postal Service performance standards and measurements to promote an efficient, effective, and responsive mail service.
FY 2016 Work Plan:

1. 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.

2. On an annual basis, evaluate compliance with standards for service performance (39 U.S.C. section 3653); continue to evaluate the extent to which the Postal Service must use an external versus an internal measurement system.

3. Consult on, revise, and augment performance standards and goals for market-dominant products.

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.

C. Modern Product Regulation

Maintain and improve a predictable, transparent, and effective system of rate and product regulation.

FY 2016 Work Plan:

1. Refine and augment the modern system for regulating rates and classes for market-dominant products.

2. Review and evaluate Postal Service proposals to move products between market-dominant and competitive product classifications.

3. Review, analyze, and evaluate workshare discounts, negotiated service agreements, and market tests. Issue timely, accurate reports and finding on these reviews.

The Commission will measure success by the timeliness, thoroughness, readability, and accuracy of its work products. These indicators will be supplemented by feedback from the postal community.
D. Universal Mail System

Maintain and improve the calculation of the cost of universal mail system.

FY 2016 Work Plan:

1. Calculate cost of USO on an annual basis.
2. Maintain and improve understanding of universal mail system.

The Commission will measure success by the timeliness, thoroughness, readability, relevance, and accuracy of its work products. These indicators will be supplemented by feedback from the postal community.
Strategic Goal 2: Public Access to Information and Participation

Performance Objectives

The Commission is accessible to all stakeholders, and ensures Postal Service accountability through a fair and open public process.

A. Public Participation and Government Relations

Ensure the Commission is visible and readily accessible to all.

FY 2016 Work Plan:

1. 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.

2. Continue to enhance government relations through proactive outreach and relationship building with Congress, the Executive branch, Federal, State, and local governments.

3. Maintain a timely system to track, analyze, and respond to public and consumer inquiries and correspondence, including “informal complaints.”

4. Complete Commission website redesign to maximize usability by Commission, postal stakeholders, and the general public. Review and modify the content of the Commission website as necessary.


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

The Commission will send follow-up surveys to informal complainants assisted by the Postal Service.
B. Appeal and Complaint Process

Ensure Postal Service accountability through fair and open appeal and public formal complaint processes that provide appropriate and timely resolution.

FY 2016 Work Plan:

1. Maintain a consistent, transparent and equitable formal complaint system that provides timely and proper due process to complainants and the Postal Service.
2. Develop procedures and resources for handling an expanding numbers of appeals and complaint cases, such as from post office closings.
3. 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.

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

C. Representation of the Public in Commission Proceedings

Ensure informed and responsive representation of the interests of the general public in all Commission proceedings.

FY 2016 Work Plan:

1. Conduct public outreach through traditional media, technology tools, and other methods to ensure wide public notice of all Commission proceedings.
2. Review and simplify processes through which members of the public may provide their input on the Commission’s decision-making processes.
3. Implement the statutory requirement of a public representative through creation of a PRC policy.

4. Continually review and provide guidance to those appointed to represent the interests of the general public in Commission proceedings in order to improve performance.

The Commission will measure success by the quality and timeliness of public representative filings.
Strategic Goal 3: Infrastructure to Meet Mission

Performance Objectives

Ensure that the Commission has the physical, financial, technology, and human capital infrastructure needed to accomplish its mission.

A. Human Capital

Enhance a system that fosters recruitment, development, and retention of a talented, skilled, and adaptable workforce. The following tasks are statutory requirements under title 39 of the U.S. Code.

FY 2016 Work Plan:

1. Continue to update the Human Capital Plan, including a succession plan, as needed, to ensure alignment of the workforce and work environment with the PRC mission.
2. Maintain and update policies and procedures to attract and select highly qualified candidates into positions required to achieve the mission within projected budget constraints.
3. Continue to implement a performance management system that rewards outstanding contributions to the Commission and addresses developmental needs to retain high performing staff and promote outstanding contributions to the Commission’s mission.
4. Identify and sponsor training and development opportunities to develop employees, targeting leadership development of managers and supervisors.
5. Continue to monitor the results of the FEVS, and implement solutions to achieve continuous improvement.
6. Maintain and enforce up-to-date human resources policies and procedures (e.g., compensation, benefits, EEO) to ensure a fair, consistent and sustainable application.
The Commission will measure success by:

- Strengthening pay and performance process with updated pay analysis and policies.
- Ensuring positions are aligned with the mission of agency by updating all position descriptions.
- Improving leadership effectiveness over the FY 2015 baseline as measured by 360 review process.
- Targeting recruitment efforts by sending vacancy notices to diversity and affinity groups, as well as colleges and universities, to improve the applicant pool for any open positions.
- Ensuring the FEVS Action Plan timelines are met.

B. Program Integration and Support

Adapt to the latest technology, operational systems and organizational infrastructure in achieving Commission goals.

FY 2016 Work Plan:

1. Develop and maintain the Commission’s annual budget and fiscal processes based on administration guidance.

2. Enforce up-to-date 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.

3. Ensure that records of the Commission are properly maintained in accordance with policies and procedures. Continue to improve Records Management program at the Commission. Review and modify, as necessary, records schedules and policies to meet Records Management directives and to simplify Commission workflow processes.

4. Ensure the website – both internal and external - is current, accessible, and useful to stakeholders.
5. Continue to maintain financial controls to ensure more than adequate fiscal responsibility.

6. Ensure equipment and facilities are sufficient, safe, and secure.

The Commission will measure success in IT management by:

- Implementing necessary technology to improve Records Management, including systems necessary to manage all electronic records.
- Enforcing up-to-date IT security requirements.

The Commission will measure success in Records and FOIA management by:

- Ensuring a score above 85 on the National Archives and Records Administration annual assessment.
- Ensuring that the Commission meets its Record Management goals.
- Ensuring that the Commission is all green on the annual FOIA assessment.
- Ensuring that the Commission completes all required reports and FOIA requests.

The Commission will measure success in improving 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 savings measures when identified.
Office of the Inspector General

The Postal Regulatory Commission's Office of the Inspector General (OIG) was established in June 2007, as required by an amendment to the Inspector General Act (IG Act) of 1978 included in the PAEA. The PRC Inspector General has a dual reporting responsibility to both PRC Commissioners and Congress.

The role of the OIG is to detect and deter fraud, waste, abuse and mismanagement within PRC programs, as well as to promote efficient and effective use of PRC 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 PRC programs and operations.

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