



# PostCom

Update of USPS Service Performance Measurement

Kathleen J. Siviter  
President

Postal Consulting Services, Inc.

June 30, 2015



This education event is free; explore  
the significant value of PostCom  
membership ...

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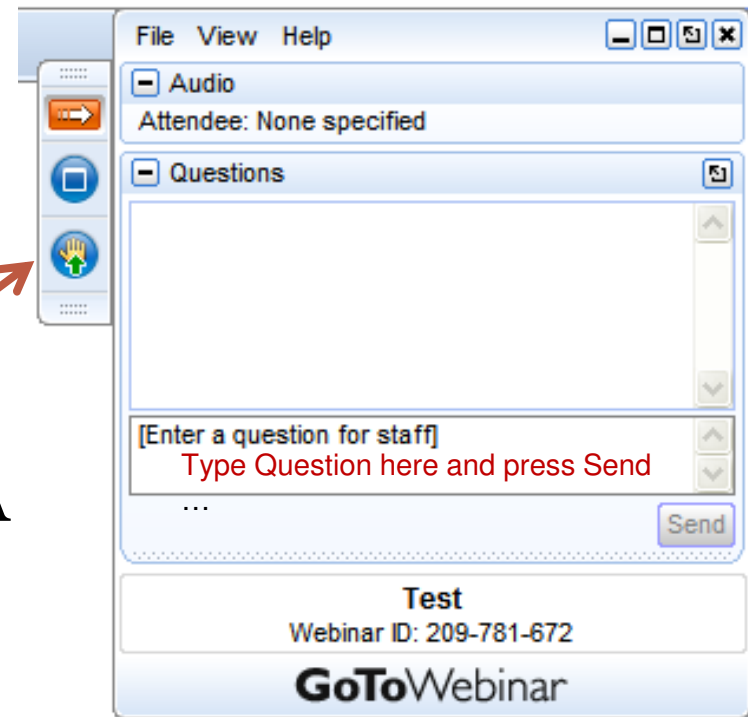
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Representing those who use or support the use of Mail for Business Communication and Commerce



# Housekeeping

- PDF of presentation and webinar recording will be available on PostCom's Web site in ...
  - Approx. 48 hours
- Two ways to ask questions
  1. Enter in the question box, or
  2. Ask your question
    - ✦ Click the "Raise Hand Tool"
- Questions answered during Q & A at end of webinar
- *Please* complete the 6 question exit survey when you leave the webinar to help us improve our webinars





# Introduction

- President, Postal Consulting Services, Inc. (PCSi)
- Provides consulting, editorial, and subject-matter expertise on postal issues.
  - Consulting work for PostCom and former PostCom Vice President
  - Parcel Shippers Association
  - National Association of Presort Mailers
  - Envelope Manufacturers Association
  - Decision Analysis Partners
  - The Renaissance Group
  - The U.S. Postal Service
  - Many others
- Worked at the USPS for 11 years
  - Special Achievement Award from PMG Tony Frank for letter automation initiative
  - Served in the Office of Classification and Rates at USPS HQ
- Industry Co-Chair for MTAC workgroup
  - Tasked with forming recommendations for modern service standards and performance measurement under the PAEA



**Kathleen J. Siviter**  
President, Postal Consulting Services, Inc.

And now, please give me a moment while I turn screen control over to Ms. Siviter ...



# Agenda

- USPS Service Standards
- Current USPS Service Performance Measurement
- USPS' Proposed Changes to Service Performance Measurement
- PRC Proceeding to Consider SPM Changes
- Also Percolating on Service...
- Resources for More Information



## USPS Service Standards

- 1970's – 2007
  - Service standards only existed for First-Class Mail (FCM)
  - “great circle” service *guidelines* for Periodicals and Standard Mail
  - Zone-based service *guidelines* for Package Services Mail
  - Limited service performance reporting/measurement
    - FCM: EXFC began 1990s
    - Pers/Std Mail: EX2C/EX3C efforts (mid-1990s, discontinued)



# USPS Service Standards

## UNITED STATES POSTAL SERVICE SERVICE STANDARDS (ZIP CODED MAIL ONLY)

3/1/86

	OVERNIGHT	OVERNIGHT REQUIREMENTS	2nd DAY	3rd DAY	4th DAY	5th DAY	6th DAY	7th DAY	8th DAY	9th DAY	10th DAY
<b>EXPRESS MAIL NEXT DAY SERVICE</b>	OVERNIGHT (SEE DIRECTORY) NATIONWIDE										
<b>FIRST CLASS</b>	LOCALLY DESIGNATED CITIES AND SCF's	UP TO AND INCLUDING 5:00 P.M. COLLECTIONS	LOCALLY DESIGNATED STATES	REMAINING OUTLYING AREAS							
<b>PRIORITY MAIL</b>	DESIGNATED CITIES	STATED AT MAILING POST OFFICE	NATIONWIDE								
<b>SURFACE PREFERENTIAL*</b>	UP TO 150 MILES	5:00 P.M. MAILINGS	300 MILES Zone 3	600 MILES Zone 4	1,000 MILES Zone 5	1,400 MILES Zone 6	1,800 MILES Zone 7	OVER 1,800 MILES Zone 8			
<b>BULK BUSINESS MAIL**</b>	AS DEVELOPED LOCALLY	_____	INTRA-SCF (for 5:00 P.M. CARRIER PRESORTED MAILINGS)	DESIGNATED SCF's AND NON-PRESORTED INTRA-SCF	UP TO 150 MILES Zone 2	300 MILES Zone 3	600 MILES Zone 4	1,000 MILES Zone 5	1,400 MILES Zone 6	1,800 MILES Zone 7	OVER 1,800 MILES Zone 8
<b>PARCEL POST</b>	SEE SEPARATE STANDARDS ISSUED FOR EACH BULK MAIL CENTER.										

\*Includes 2nd class.

\*\*Includes 3rd & 4th Classes (except parcel post).

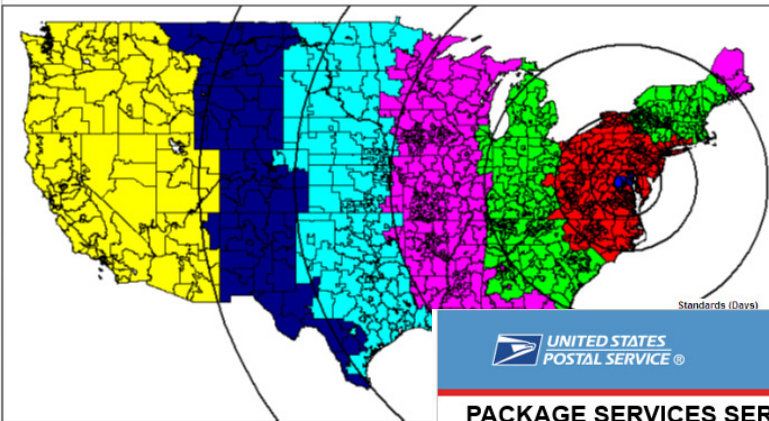
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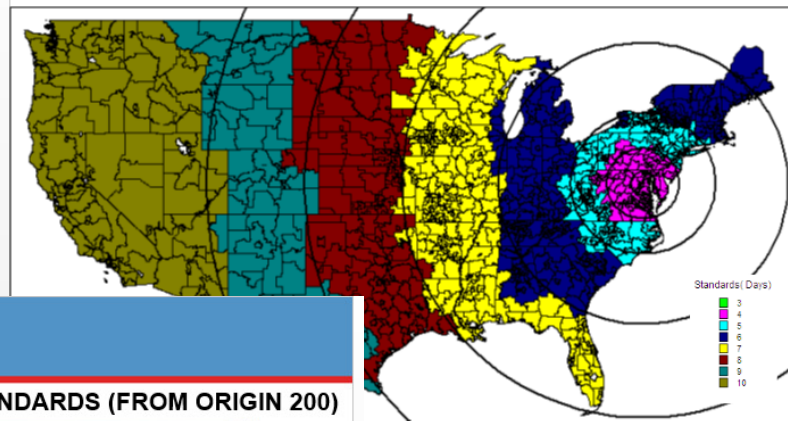
# USPS Service Standards



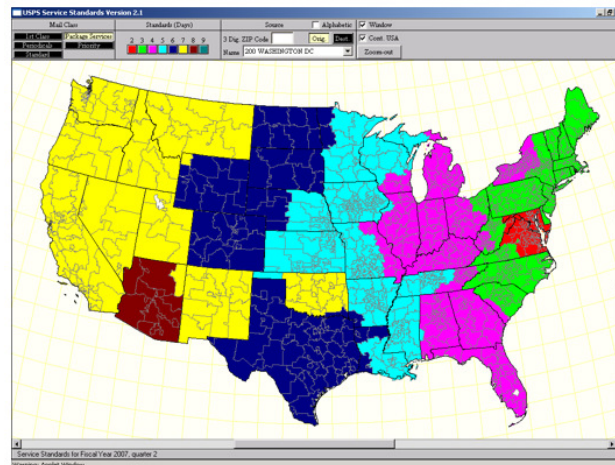
## PERIODICAL SERVICE STANDARDS (FROM ORIGIN 200)



## STANDARD MAIL SERVICE STANDARDS (FROM ORIGIN 200)



## PACKAGE SERVICES SERVICE STANDARDS (FROM ORIGIN 200)



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# USPS Service Standards and Performance Measurement

- 2007
  - PAEA (Postal Accountability & Enhancement Act) signed into law
  - Required USPS to establish modern service standards
  - Required USPS to “provide a system of objective external performance measurements for each market-dominant product...” (internal measurement ok with PRC approval)
  - Development & adoption of “modern” service standards for all Market Dominant mail categories (MTAC WG 114)
- 2008
  - USPS implements *hybrid* internal/external service performance measurement systems (with PRC approval): combination of EXFC reporters and IMb Full-Service mail data



# USPS Service Standards and Performance Measurement

- **2009**
  - USPS starts publishing quarterly reports on its web site with service performance broken out by mail class
- **2010-2011**
  - IMb Full-Service systems and incentives developed, adoption grew, service performance data increased
- **2012**
  - USPS starts filing reports with PRC broken out in finer detail by processing/presort category (FY2012 start)
  - Phase 1 Network Rationalization implemented; FCM/Pers service standard/CET changes
- **2014**
  - Load Leveling implemented; service standard changes for Standard Mail



# USPS Service Standards and Performance Measurement

- 2015
  - 1/5: Phase 2 Network Rationalization implementation; service standard/CET changes
  - 1/29: USPS submits proposal to PRC to change its service performance measurement systems
  - 5/21: USPS announced delay of remaining facility consolidations from Phase 2 Network Rationalization (until 2016)

*We've made much more progress in the past 8 years  
than in the previous 37+!*

*BUT...*



# USPS Service Standards and Performance Measurement

**A question...has the current measurement/reporting driven service improvements?**

## USPS Annual Service Performance for Market-Dominant Products

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
<b>First-Class Mail</b>						
Single-Piece Overnight	96.3	96.3	96.2	96.5	96.1	96.0
Single-Piece Two-Day	94.8	93.6	93.4	94.8	95.3	94.9
Single-Piece Three-Day +	93.7	91.6	91.2	92.3	91.6	87.7
Presort Overnight	95.6	93.4	90.8	96.8	97.2	97.0
Presort Two-Day	93.9	92.7	89.1	95.7	97.0	96.4
Presort Three-Day +	82.5	88.2	90.6	95.1	95.1	92.2
<b>Periodicals</b>	<b>75.9</b>	<b>76.7</b>	<b>75.5</b>	<b>68.7</b>	<b>82.0</b>	<b>80.9</b>
<b>Standard Mail</b>						
Origin Entry	NR	59.0	38.4	56.5	63.3	63.5
Destination Entry	82.88*	83.4	70.8	82.0	88.8	89.9
<b>Package Services (parcels)</b>	<b>82.17</b>	<b>79.4</b>	<b>76.7</b>	<b>87.2</b>	<b>87.5</b>	<b>86.3</b>

NR = Not Reported

\*Standard Mail only reported as a combined composite score for FY2009 performance

**Color Key:** Annual performance scores shown in red were below target, scores shown in green were at or above target



# USPS Service Standards and Performance Measurement

- The “pros” of what we have today...
  - We have *meaningful* service standards and measurement!
  - Pace of change is accelerating
    - It took 37+ years and a change in law to get service standards and measurement for all market dominant products
    - In the 8 years since then: IMb Full-Service, data, systems, usage have seen aggressive growth, USPS developed internal diagnostic systems, etc.
  - Improved customer service discussions on service issues
    - Common data and systems (and reports?) – reduced the “he said,” “she said”
  - IMb adoption has grown = more data
    - IMb Full-Service adoption grew from 42% of eligible commercial mail at the end of FY2011 to 85% in Feb 2015
    - USPS now getting over 1 billion tracking events/day
    - IMb has brought us much more than service performance measurement



# USPS Service Standards and Performance Measurement

- The “pros” of what we have today...
  - USPS using the data to improve service; drive efficiency
    - USPS in 2010 implemented its first internal service performance diagnostic system, which continues to grow in terms of the amount and type of data and the ways the USPS finds to use the data
    - USPS now sees the extreme value of the data (and we’ve only touched the tip of the iceberg!)
    - Next step: Informed Visibility



# USPS Service Standards and Performance Measurement

- The “cons” of what we have today...
  - Lack of Visible Information
    - Hard to find what the service standards are
    - Service standards change every quarter; hard to tell what changed
    - No user-friendly tools to determine service standards, performance expectations
    - Service performance reports to PRC not published by USPS
  - Lack of Actionable Information
    - Only aggregate data reports are published by USPS and quarterly, at least 45 days after the quarter end
    - IMb Planning Tool not user-friendly, easy to understand or use
    - Individual business data may be actionable, but little aggregate comparison available so are issues systemic, geographic, or due to mail prep/entry practices?



# USPS Service Standards and Performance Measurement

- The “cons” of what we have today...
  - **Conflicting Service Policies**
    - Requested In Home Dates vs. Service Standards
    - Color Coding, USPS “Guidelines” for Mailers, Std Mail Deferability
  - **Lack of USPS Data Expertise**
    - Lack of USPS “data experts” can lead to incorrect conclusions
    - Data overload vs. meaningful business enterprise analytics
  - **Data Accuracy, Completeness, Latency**
    - IMb Full-Service data and systems – not yet perfected for other initiatives, so why do we think SPM is immune?
    - Data Exclusion – High Percentage of IMb Full-Service mail data NOT in SPM
    - Mail Exclusion – categories not included yet in SPM (non-auto, mail forwarding, etc.)



# USPS Service Standards and Performance Measurement

Where can you find the current Service Standards?

RIBBS: <https://ribbs.usps.gov/index.cfm?page=modernservice>

The screenshot shows the RIBBS website interface. At the top, there is a navigation bar with the USPS logo and the text 'National Customer Support Center'. Below this is a search bar and a menu with links for Home, Site Index A-Z, Site Index by Topic, Locators/ Lookups, Document Locator, and Contact Us. The main content area is titled 'Service Standards' and features a sidebar on the left with links for Intelligent Mail® Services, Address Quality Products, Business Mail Acceptance, Certifications, Industry Outreach, Major/Minor Release Schedule, MDA Customer Svc Help Desk, Move Update, MTAC, Operations, PCC, and Updates. The main text explains that Service Standards were first published in January 2007 and are updated quarterly. It also includes an 'Important Links' section with links to various service standard documents and a 'Getting Started' section with links to certified full-service summaries.



# USPS Service Standards and Performance Measurement

Where can you find the current Service Standards?

[https://ribbs.usps.gov/modernservicestandards/documents/tech\\_guides/Originating\\_Service\\_Standards.xls](https://ribbs.usps.gov/modernservicestandards/documents/tech_guides/Originating_Service_Standards.xls)

Sample of Excel file (data also available as Text file):

Service Standard Directory									
Originating Service Standards									
NATIONAL									
Mail Class(es): ALL									
Service Standard: ALL Days									
ZIP Code Type: All (Domestic and Military)									
	ORIGIN ZIP CODE	ORIGIN NAME	DEST ZIP CODE	DESTINATION NAME	PRI	FCM	PER	PKG	STD
1									
2									
3	005	MID-ISLAND NY	005	MID-ISLAND NY	01	02	03	02	03
4	005	MID-ISLAND NY	006	SAN JUAN PR	03	03	13	12	13
5	005	MID-ISLAND NY	007	SAN JUAN PR	03	03	13	12	13
6	005	MID-ISLAND NY	008	SAN JUAN PR	03	04	13	12	13
7	005	MID-ISLAND NY	009	SAN JUAN PR	03	03	13	12	13
8	005	MID-ISLAND NY	010	SPRINGFIELD MA	02	02	03	05	06



# USPS Service Standards and Performance Measurement

Where can you find the current Service Standards?

[https://ribbs.usps.gov/modernservicestandards/documents/tech\\_guides/CommFCM\\_ON\\_Pairs.xls](https://ribbs.usps.gov/modernservicestandards/documents/tech_guides/CommFCM_ON_Pairs.xls) **NEW**

FCM Overnight Service pairs for Qualifying FCM (post-Jan 2015 service standard changes)

Sample of Excel file (data also available as Text file):

	A	B	C	D	E
1	ORIG ZIP	ORIG NAME	DEST ZIP	DEST NAME	CommFCM SS
2	005	MID-ISLAND NY	005	MID-ISLAND NY	01
3	005	MID-ISLAND NY	117	MID-ISLAND NY	01
4	005	MID-ISLAND NY	118	MID-ISLAND NY	01
5	005	MID-ISLAND NY	119	MID-ISLAND NY	01
6	006	SAN JUAN PR	006	SAN JUAN PR	01
7	006	SAN JUAN PR	007	SAN JUAN PR	01
8	006	SAN JUAN PR	009	SAN JUAN PR	01
9	007	SAN JUAN PR	006	SAN JUAN PR	01



# USPS Service Standards and Performance Measurement

## USPS Service Standards Map Tool

[https://ribbs.usps.gov/modernservicestandards/ssmaps/find\\_map.cfm](https://ribbs.usps.gov/modernservicestandards/ssmaps/find_map.cfm)

**Mail Class:**

- First-Class Mail®
- Package Services
- Periodicals
- Standard Mail®

**Standards (Days):**

1	2	3	4	5	6	7	8	9
11	12	13	14	15	16	17	18	19
20								
21	22	23	24	25	26	27		

**List cities in alphabetical order**

**3-Digit ZIP and City:**  
005 MID-ISLAND NY

**Service:**

- Originating
- Destinating
- Destination Entry

[Click here](#) for the Entry Data Files.

Display Map

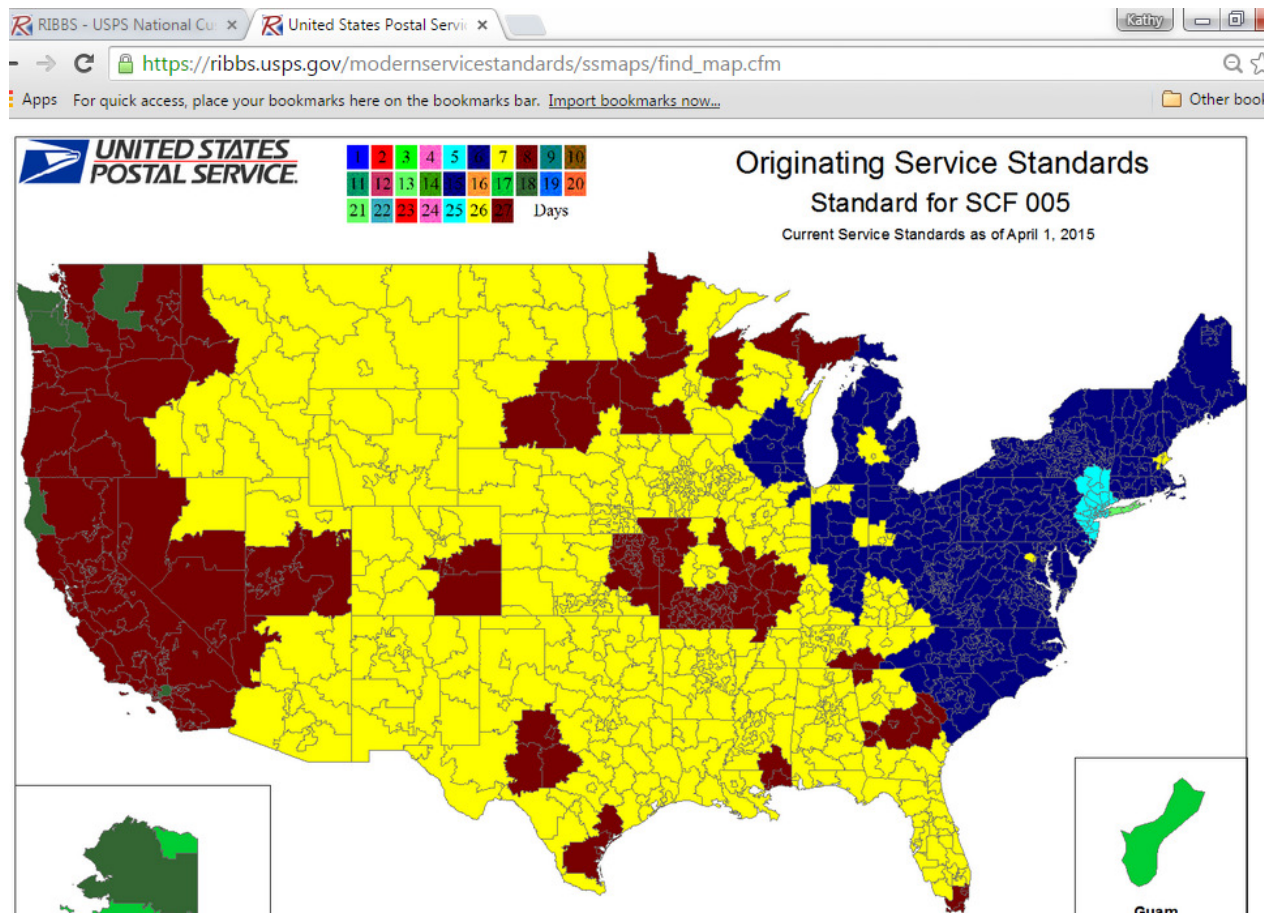
This map reflects service standard changes that are effective April 1. This map illustrates the service standards based on April 1 Labeling Lists changes and the business rules defined in the Federal Register (39 CFR 121).



# USPS Service Standards and Performance Measurement

## USPS Service Standards Map Tool

[https://ribbs.usps.gov/modernservicestandards/ssmaps/find\\_map.cfm](https://ribbs.usps.gov/modernservicestandards/ssmaps/find_map.cfm)



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# USPS Service Standards and Performance Measurement

## USPS Service Standards Tools on RIBBS

[https://ribbs.usps.gov/modernservicestandards/documents/tech\\_guides/MailEntryPlanningGuidelines.pdf](https://ribbs.usps.gov/modernservicestandards/documents/tech_guides/MailEntryPlanningGuidelines.pdf) **NOT CURRENT !!!**

05/23/12

### DELIVERY COLOR CODES FOR DESTINATION ENTRY STANDARD MAIL

The Postal Service has developed these planning guidelines to allow customers to project the number of days necessary for their mail to reach destinations based on service standards, entry point, and critical entry time. Customers should note that these guidelines do not imply any promise or guarantee.

DND Critical Entry Time: 16:00		
DAY OF RECEIPT	COLOR CODE APPLIED	SERVICE STANDARD FIVE DAY DELIVERY
SAT	VIOLET	THU
SUN	YELLOW	FRI
MON	PINK	SAT
TUE	BLUE	MON
WED	BLUE	MON
THU	ORANGE	TUE
FRI	GREEN	WED

DSCF Critical Entry Time: 16:00		
DAY OF RECEIPT	COLOR CODE APPLIED	SERVICE STANDARD THREE DAY DELIVERY
SAT	ORANGE	TUE
SUN	GREEN	WED
MON	VIOLET	THU
TUE	YELLOW	FRI



# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://about.usps.com/what-we-are-doing/service-performance/>

Service Performance Results

Service Performance Targets FY2015 Market Dominant Products [HTM](#)

**Mailing Services Measurement Results**

The Postal Service™ measures service performance in terms of speed and reliability. **Single-Piece First-Class Mail®** includes letters, flats and parcels and is measured from collection box drop point to delivery. **Presort First-Class Mail®** includes commercial mail prepared by the mailers which is sorted to the finest extent required. **Single-Piece First-Class Mail® International** provides a measure of the domestic leg of travel for single-piece international mail.

Standard Mail® is a class of mail consisting of mailable matter that is not required to be mailed as First-Class Mail or Periodicals. Service performance for **Periodicals** (e.g. publications) and **Package Services**, which includes Standard Post™, Bound Printed Matter, Media Mail® and Library Mail is measured from entry into the postal system to delivery. **Special Services** measures those services purchased in addition to the required postage such as Registered Mail™, Certified Mail®, USPS Tracking™, and Signature Confirmation™. Other types of service such as the timeliness of Post Office Box mail "uptimes" or the electronic transmission of data such as Confirm® are also included in Special Services.

2015 Single-Piece First-Class Mail® Quarterly Performance [PDF](#) | [HTM](#)  
2015 Single-Piece First-Class Mail® Service Variance [PDF](#) | [HTM](#)

2015 Presort First-Class Mail® Quarterly Performance [PDF](#) | [HTM](#)  
2015 Presort First-Class Mail® Service Variance [PDF](#) | [HTM](#)

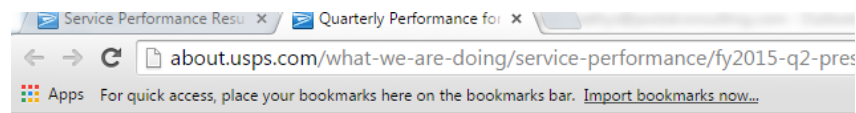
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# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://about.usps.com/what-we-are-doing/service-performance/>



United States Postal Service®  
**Quarterly Performance for Presort First-Class Mail®**  
Mailpieces Delivered Between 01/01/2015 and 03/31/2015

Quarter II  
FY2015

### Overview

For Presort First-Class Mail®, the service performance measurement system of the Postal Service™ uses documented arrival time at a designated postal facility to start the measurement clock, and an Intelligent Mail® barcode (IMbT) scan by an external, third-party reporter to stop-the-clock. Mail piece tracking from IMbT in-process scans is used in conjunction with the external data to extrapolate results for the population of Presort First-Class Mail® using Full-Service Intelligent Mail®. Data collected by the Postal Service™ are provided to an independent, external contractor to calculate service measurement and compile the necessary reports. The system used for this reporting is called the Intelligent Mail® Accuracy and Performance System (IMAPS).

The external contractor determines service performance based on the elapsed time between the start-the-clock event recorded by the Postal Service™ and the stop-the-clock event recorded by anonymous households and small businesses that report delivery information directly to the contractor. The service measure consists of two parts: (1) how long mail pieces take to get through processing, and (2) how long mail takes from the last processing scan to delivery. The second portion is used as a delivery factor differential to determine the percent of all Presort First-Class Mail® delivered on the last processing date versus the percent delivered after the last processing date. Service performance is measured by comparing the transit time to USPS® service standards to determine the percent of mail delivered on time.

The Service Performance Measurement (SPM) application of the Full-Service Seamless Acceptance and Service Performance system (SASP) serves as the data source for IMAPS. SPM captures data from all Full-Service Intelligent Mail® and applies business rules for service measurement before sending data to IMAPS.

Presort First-Class® Parcels were categorized as a competitive product as of October 3, 2011, and are no longer included in the Presort First-Class Mail® scores.

### Performance Highlights

National Overnight performance in FY15 Quarter 2 was 94.2 percent on time, a decrease of 2.3 points compared to the same period last year, with 98.8 percent of pieces delivered within one day of the service standard. Two-Day performance declined by 5.8 points and Three-To-Five-Day performance dropped 9.3 points compared to last year, with 97.6 and 94.1 percent of mail delivered within 1 day of the service standard, respectively.

A large number of winter storms disrupted service throughout the quarter, particularly for mail requiring air transportation. Additionally, the mail processing operational window change that was made as part of the Network Rationalization plan was one of the most significant operational changes since automation implementation. These changes impacted the schedules for nearly all processing and transportation activities nationwide. The Postal Service is focused on stabilizing operations by aligning the right resources to activities under the new operating plan to meet both service performance targets and cost savings objectives.

District	Overnight	Two-Day	Three-To-Five-Day
	Percent On Time	Percent On Time	Percent On Time
Capital Metro Area	94.5	90.2	82.4
Atlanta	97.1	92.2	85.1
Baltimore	90.9	83.9	75.4
Capital	96.9	81.8	78.4
Greater South Carolina	95.3	89.9	75.8
Greensboro	95.0	91.9	81.4

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# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://www.prc.gov/usps-reports>

The screenshot shows the website for the Postal Regulatory Commission (PRC). The browser address bar displays [www.prc.gov](http://www.prc.gov). The main navigation bar includes links for "ABOUT THE PRC", "HOW TO PARTICIPATE", "CASE INFORMATION", "REFERENCES", "REPORTS/DATA", and "NEWSROOM". A dropdown menu is open under "REPORTS/DATA", listing "PRC REPORTS", "USPS REPORTS", "ARCHIVES", and "WEBCASTS". The main content area features a large graphic with a building and trees, overlaid with the text: "The Postal Regulatory Commission is an independent Federal agency that provides **transparency** and **accountability** of the U. S. Postal Service's operations." Below this text is a "Learn More" button. At the bottom of the page, there is a section for "Active Cases" with a search box labeled "CASE DOCKETS" and the placeholder text "ENTER TITLE KEYWORD(S)".

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# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://www.prc.gov/usps-reports> **SEARCH**, but not **ALL** reports will come up

The screenshot shows a web browser window displaying the USPS Reports page. The browser address bar shows the URL [www.prc.gov/usps-reports?keys=service+performance](http://www.prc.gov/usps-reports?keys=service+performance). The page header includes the Postal Regulatory Commission logo and navigation links such as 'FILE ONLINE' and 'CONTACT US'. A search bar is visible with the text 'SEARCH PRC SITE'. The main content area is titled 'USPS Reports' and features a search filter with the terms 'service performance' and an 'Apply' button. Below the search results, three report entries are listed:

Date	Report Title	Action
12/4/2014	Service Performance Reports, Quarter 4, FY 2014 - ERRATA	Download
8/11/2014	USPS Quarterly Service Performance Reports, Quarter 3, Fiscal Year 2014	Download
11/8/2013	Quarterly Service Performance Reports for FY 2013, Quarter 4	Download



# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://www.prc.gov/usps-reports>

The screenshot shows a file explorer window with the address bar set to 'USPS SPM reports > First-Class Mail.zip'. The search bar contains 'Search First-Class Mail.zip'. The file list is as follows:

Name	Type	Compressed size	Password .
FC Flats 152 Scores Report.xls	Microsoft Excel 97-2003 ...	118 KB	No
FC Flats 152 Variance Report.xls	Microsoft Excel 97-2003 ...	212 KB	No
FC Parcels 152 Scores Report.xls	Microsoft Excel 97-2003 ...	41 KB	No
FC Parcels 152 Variance Report.xls	Microsoft Excel 97-2003 ...	63 KB	No
PrstFC LC 152 Scores Report.xls	Microsoft Excel 97-2003 ...	41 KB	No
PrstFC LC 152 Variance Report.xls	Microsoft Excel 97-2003 ...	51 KB	No
SPFC LC 152 Scores Report.xls	Microsoft Excel 97-2003 ...	45 KB	No
SPFC LC 152 Variance Report.xls	Microsoft Excel 97-2003 ...	62 KB	No
SPFC-I152 Scores Report.xls	Microsoft Excel 97-2003 ...	31 KB	No
SPFC-I152 Variance Report.xls	Microsoft Excel 97-2003 ...	37 KB	No



# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

<http://www.prc.gov/usps-reports>

The screenshot shows a file explorer window with the following details:

- Address bar: Meas > USPS SPM reports > Standard Mail.zip
- Search bar: Search Standard Mail.zip
- View: files
- Columns: Name, Type
- Files listed (all are Microsoft Excel 97-2003 spreadsheets):
  - Standard Mail-Carrier Route 152 Scores Report.xls
  - Standard Mail-Carrier Route 152 Variance Report.xls
  - Standard Mail-EDDM 152 Scores Report.xls
  - Standard Mail-EDDM 152 Variance Report.xls
  - Standard Mail-Flats 152 Scores Report.xls
  - Standard Mail-Flats 152 Variance Report.xls
  - Standard Mail-High Density and Saturation Flats 152 Scores Rep...
  - Standard Mail-High Density and Saturation Flats 152 Variance Re...
  - Standard Mail-High Density and Saturation Letters 152 Scores Re...
  - Standard Mail-High Density and Saturation Letters 152 Variance ...
  - Standard Mail-Letters 152 Scores Report.xls
  - Standard Mail-Letters 152 Variance Report.xls
  - Standard Mail-Mixed Flats 152 Scores Report.xls
  - Standard Mail-Mixed Flats 152 Variance Report.xls
  - Standard Mail-Mixed Letters 152 Scores Report.xls
  - Standard Mail-Mixed Letters 152 Variance Report.xls



# USPS Service Standards and Performance Measurement

## USPS Service Performance Quarterly Reports

- Number of reports posted by USPS on its web site (per quarter): **14**
- Number of reports filed by the USPS at the PRC (per quarter): **35**
- Reports to PRC break out categories more finely (e.g., by shape, by presort level, etc.)
- PRC reports break out quarterly data geographically (e.g., by USPS District, Area) unless not enough data in a category (which then is not reported)
- PRC reports hard to find unless you check the daily listings every day, or sign up for daily listing alerts
- PRC reports good for seeing difference in service by mail processing category (letters vs flats) and by presort level for those reported (e.g., Saturation/High Density, Carrier Route, etc.)



## PRC Proceeding to Consider SPM Changes

- USPS Proposed Changes to SPM (filed at PRC in Jan 2015)
  - **Replacement of existing EXFC** measurement for FCM Single Piece with *internal* USPS measurement system
  - **FCM/Pers/Std/BPM:** Last mile factor calculations to change to carrier scan at delivery of randomly selected pieces (today external reporter scans used)
  - **Std Mail Parcels:** Changes to how Last Mile and Stop-the-Clock are calculated
  - **Business Rules/Exclusions:** Changes in some of the business rules that determine how service performance is calculated, as well as some changes to SPM exclusion rules
  - **No Changes for Some Categories:** No change to measurement for: FCM SP Intl, FCM SP Parcels, Std Mail non-auto letters/flats, or Package Services parcels



## PRC Proceeding to Consider SPM Changes

- **FCM Single Piece Letters/Flats**
  - Replace current EXFC with internal system
  - New system will measure SP FCM mail through coll box, office building chute, USPS coll points
  - 3-components to new system: First Mile, Processing Duration, Last Mile
    - First Mile: use composite score calculated using USPS pick-up time data and mailpiece scan info from random coll points
    - Processing Duration: piece must have at least one processing scan; USPS to use FPO and LPO (could be same event)
    - Last Mile: calculated based on randomly selected delivery point scan info
  - New Business Rules and Exclusions



## PRC Proceeding to Consider SPM Changes

- FCM Presort Letters/Flats, Periodicals, Standard Mail & BPM Flats
  - Replace current Stop-the-Clock/Last Mile calculation methodology (currently combination of external reporter data and processing scan data)
  - Last Mile to be calculated on carrier scan of randomly selected pieces at delivery
  - Some changes to business rules/exclusions



## PRC Proceeding to Consider SPM Changes

- **Market Dominant Parcel Categories**
  - **No changes for FCM Parcels** (USPS has requested this category be moved to Competitive Services)
  - **No changes for Package Services parcels**
  - **Standard Mail Parcels changes:** for parcels with no barcode, carrier will scan wall barcode at delivery unit for Stop-the-clock. Last mile for Std Mail parcels with USPS tracking to be based on carrier sampling (carrier scans randomly selected pieces at delivery to measure Last Mile)



## PRC Proceeding to Consider SPM Changes

### Comments/Reply Comments Filed at PRC

- PostCom/IDEAlliance/NAPM
- PRC Public Representative
- National Newspaper Assn (NNA)
- APWU
- Greeting Card Assn (GCA)
- National Postal Policy Council (NPPC)
- USPS
- Douglas Carlson & David Popkin



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- USPS Should run new system in parallel for a time to ensure data accuracy & comparability in results with existing systems
  - USPS agreed to operate both old and new systems in parallel 1st 2 quarters of FY2016 (if when new is implemented). PRC on 6/17 ordered USPS to run both systems in parallel (no specific time period ordered)
- USPS should clarify and use consistent terms (e.g., “next processing day,” “next delivery day,” “next applicable acceptance day,” etc.)
  - USPS “non-answer” response. Said different terms appropriate for different entry (BMEU vs dest. Facility, etc.) but did not explain what each term means (e.g., “applicable” or when next “business” day is).



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- Clarify when CSAs determine Start-the-Clock for SPM; USPS should conduct periodic reviews of CSAs
  - USPS: CSA NOT used for STC for BMEU-entered mail; CSA is used for STC for DMU-entered mail. USPS is conducting CSA reviews
- Explore improvements in use of container unload scans for STC (mail excluded if container not scanned; scans not necessarily accurate measure of arrival at facility)
  - USPS: for DMU USPS-transported mail, if no container scan, uses mailer-provided data (scheduled ship date) to STC. For DMU mailer-transported mail, if no container scan but FAST appt, uses mailer-provided FAST appt to STC. USPS working to improve container scan rates.



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- Review and improve business rules that rely on FAST appointment/arrival data to Start-the-Clock
  - USPS: We are continually assessing business rules, want industry collaboration on areas that can be improved in measurement
- Data exclusion validation and improvement
  - USPS: Strives to include as much mail as possible in measurement; validates integrity/accuracy of existing data exclusion rules through a third-party who validates EXFC (which it says will continue)
- Oppose “High Delivery Days” SPM data exclusion (mail over 45 days old excluded)
  - USPS: Not new rule– was put in place in 2012 “on recommendation of third party auditor.” Rule put in because of 45-day IMb uniqueness requirement



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- Recommend periodic independent audit of SPM data/measurement
  - USPS: Enterprise Analytics group uses IT, postal ops experts, and statisticians to develop, manage and protect integrity of measurement systems; routinely collaborates with SMEs at hq/field including USPIS; outside consulting firms also sometimes used – all will continue. Third-party contractor is developing and will implement audit plan for maintaining high level of integrity. Also subject to audit by OIG, GAO and PRC annual review, as today.
- Make public the level of detailed SPM reported to PRC
  - USPS: PRC reporting designed for “expert” agency review; reports published on USPS web site for general public who has less need for in-depth data; USPS gives mailers granular data on their own mailings (and noted many don’t understand that level of data)



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- Consider more frequent (e.g., monthly) SPM reporting to improve service performance
  - USPS: Outside scope of proceeding; USPS meeting PRC reporting requirements, anything else is at USPS discretion. Any changes should be proposed in separate rulemaking.
  - “Such a rulemaking also would be the appropriate forum for debunking the misguided implication that quarterly service performance reports currently generated to meet the requirements of 39 C.F.R. Part 3055 serve as either the exclusive or primary source for postal management’s evaluation and diagnosis of daily operations and attention to service levels.”



## PRC Proceeding to Consider SPM Changes

### PostCom/IDEAlliance/NAPM Asks vs. USPS Reply Comments

- Need USPS sampling methodologies for new Stop-the-Clock delivery event in order to comment on those
  - USPS: Has contracted with third-party to develop, expects to provide info to PRC in June/July (and PRC 6/17 interim order mandates that)

### USPS Responses to Concerns Raised by Others

- FCM SP test pieces not confidential to USPS employees
  - USPS: issue would be insignificant; also is developing third-party designed auditing system to ensure integrity
- New system has bias towards automation mail
  - USPS: So does existing EXFC (sampled pieces must be auto-compatible). Processing/service performance differences between barcoded and non-barcoded mail are insignificant



## PRC Proceeding to Consider SPM Changes

### USPS Responses to Concerns Raised by Others

- Concerns around costs of new measurement system
  - USPS: new system not being justified on basis of being less costly; costing questions addressed in PRC ChIRs
- Periodicals SPM (newspapers – NNA comments)
  - USPS: Outside scope of proceeding; will continue to work with NNA to improve Periodicals SPM for rural areas and will consider a “Rural Mail Report” as requested by NNA
- New FCM SP measurement system does not sample ALL FCM SP mail (e.g., no stamped mail, no mail in residential receptacles for collection, etc.)
  - USPS: new system will sample more FCM SP than EXFC does today; CRM is stamped mail; processing leg will be tracked once mail coded by USPS; no difference in processing between barcoded and non-barcoded



## PRC Proceeding to Consider SPM Changes

- **April 8, 2015:** Reply comments were due to PRC on USPS proposed changes
- **May 18, 2015:** USPS filed 56-pages of reply comments at PRC (2 deadline extension requests granted)
- **June 17, 2015:** PRC issued interim order requiring USPS to run new and existing measurement systems in parallel; provide additional info (sampling methodologies, etc.)
- **June/July 2015:** USPS to provide PRC with additional data
- **X?** PRC to issue decision
- **Oct. 1, 2015:** USPS proposed that changes would be implemented (start of FY2016)



## Also Percolating on Service...

### USPS Jan 2015 Service Standard Changes

- Quarter 2 FY 2015 service issues (Jan 1-March 31) caused by weather and USPS Jan 2015 operational changes
- USPS on 5/21/15 announced it would delay until 2016 remaining facility consolidations to stabilize service

### Congressional activity around service issues

- House Appropriations Committee on 6/17/15 approved FY2016 Financial Services Bill (including amendment to restore mail delivery standards to the July 1, 2012 level)  
<http://appropriations.house.gov/news/documentsingle.aspx?DocumentID=394280>
- USPS on 6/18/15 issued statement in opposition; said amendment would cost \$1.5 billion/year not including implementation costs (<http://about.usps.com/news/recent-statements.htm>)



## Also Percolating on Service...

### Congressional activity around service issues (cont'd)

- 5/1/15 Senate approved a motion that instructed Congressional budget conferees to insist on a deficit-neutral fund to halt mail processing center closures, restore overnight mail delivery, and protect rural services

### APWU Court Case

- Sept 2013: APWU filed complaint at PRC on USPS' failure to meet service standards established in July 2012 (PRC Docket No. C2013-10).
- Nov 2013-May 2015: PRC dismissed complaint 3 times (APWU re-filed complaint with amendments twice)
- May 2015: APWU filed petition challenging PRC's order with the U.S. District Court of Appeals

More info: <http://www.savethepostoffice.com/apwu-takes-prc-court-over-service-standards>



## Also Percolating on Service...

### APWU Court Case

- Sept 2013: APWU filed complaint at PRC alleging USPS' failure to meet its service standards established in July 2012 (PRC Docket No. C2013-10).
- Nov 2013: PRC dismissed complaint (in part).
- Dec 2013: APWU filed amended complaint.
- Feb 2014: PRC dismissed the amended complaint.
- March 2014: APWU filed motion for reconsideration
- May 2015: PRC dismissed complaint for the 3<sup>rd</sup> time
- May 2015: APWU filed petition challenging PRC's order with the U.S. District Court of Appeals

More info: <http://www.savethepostoffice.com/apwu-takes-prc-court-over-service-standards>



## Resources for More Information

- **USPS Proposed Changes to SPM**
  - **PRC Web Site (Docket PI-2015-1):**  
<http://www.prc.gov/dockets/showdocket/PI2015-1>
  - **USPS Plan (most recent version):**  
<http://www.prc.gov/docs/91/91822/2015-03-24-Revised-SPM-Plan.pdf>
  - **Comments submitted by PostCom/IDEAlliance/NAPM**  
<http://www.prc.gov/docs/92/92001/PCom-IDEA-NAPM%20PI2015-1.pdf>
  - **USPS Reply Comments:**  
<http://www.prc.gov/dockets/document/92293>
  - **PRC 6/17/15 Interim Order**  
<http://www.prc.gov/docs/92/92552/Order%20No.%202544.pdf>



# Resources for More Information

## Service Performance Quarterly Update Report

Subscription info:

<http://postalconsulting.com/ServicePerfUpdateQ2FY2015Promo.pdf>

**PCSi** Postal Consulting Services Inc. May 2015 Volume 1, Issue 2

### Service Performance Quarterly Update USPS Q2 FY2015

**Quarter 2 FY2015 Service Performance Overview — Our Charts are a Sea of Red**

The USPS' Quarter 2 of its Fiscal Year 2015 (FY2015) runs from January 1, 2015, through March 30, 2015. Typically this is a period fraught with winter storms and weather issues. This year, however, on top of winter weather issues disrupting service, the USPS also made significant operational changes beginning in January 2015. The net result was significantly lower service performance than the same period last year in nearly all reported mail categories. As subscribers to this report know, we use red to show where the USPS did not make its service performance target and green to show where it did...unfortunately our Quarter 2 charts show a sea of red with little green...

"A large number of winter storms disrupted service throughout the quarter," the USPS said in its service performance reports for Quarter 2 FY 2015, "particularly for mail requiring air transportation." "Additionally," it reported, "the mail processing operational window change that was made as part of the Network Rationalization plan was one of the most significant operational changes since automation implementation." "These changes impacted the schedules for nearly all processing and transportation activities nationwide," the USPS said in its public quarterly service performance reports, noting that it "is focused on stabilizing operations by aligning the right resources to activities under the new operating plan to meet both service performance targets and cost savings objectives."

The USPS on May 20, 2015, announced at the Mailers Technical Advisory Committee (MTAC) meeting that in order to help stabilize service performance, it will delay many of its facility consolidations planned for this summer, likely

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### First-Class Mail Service Performance FY 2014-2015

Category	FY 2014					FY 2015				
	Q1	Q2	Q3	Q4	Annual/Target	Q1	Q2	Q3	Q4	Annual/Target
FCM Single Piece overnight (combined) /1	95.5	95.5	96.5	96.5	96.0 /96.80	95.7	90.6			96.80
FCM Single Piece 2-day (combined) /1	94.2	93.7	95.8	95.8	94.9 /96.50	94.5	90.4			96.50
FCM Single Piece 3-5 day (combined) /1	85.1	84.1	90.0	91.3	87.7 /95.25	83.7	83.1			95.25
FCM Single Piece Ltrns/Crds overnight /2	96.3	96.3	97.2	97.1	96.7 /96.80	95.9	92.1			96.80
FCM Single Piece Ltrns/Crds 2-day /2	95.0	94.7	96.6	96.5	95.7 /96.50	94.7	91.1			96.50
FCM Single Piece Ltrns/Crds 3-5 day /2	96.1	95.1	91.0	92.2	93.6 /95.25	83.9	83.7			95.25
FCM Presort overnight (combined) /1	96.8	96.6	97.4	97.5	96.80 /96.80	96.8	94.2			96.80
FCM Presort 2-day(combined) /1	95.9	95.3	97.1	97.3	96.4 /96.50	96.1	89.4			96.50
FCM Presort 3-5 day (combined) /1	91.0	90.1	93.5	94.8	92.2 /95.25	91.0	80.6			95.25
FCM Presort Ltrns/Crds overnight/2	97.0	96.7	97.5	97.7	97.2 /96.80	97.0	94.4			96.80
FCM Presort Ltrns/Crds 2-day /2	96.2	95.4	97.2	97.5	96.6 /96.50	96.3	89.7			96.50
FCM Presort Ltrns/Crds 3-5 day /2	91.4	90.2	93.7	95.0	92.5 /95.25	91.2	80.9			95.25
FCM Flats overnight /2	83.6	83.8	85.7	86.5	84.9 /96.80	84.5	75.7			96.80
FCM Flats 2-day /2	81.6	80.5	84.1	83.7	82.5 /96.50	82.0	78.3			96.50
FCM Flats 3-5 day /2	69.5	69.4	74.9	76.4	72.6 /95.25	72.6	56.2			95.25
FCM Parcels overnight /2	96.9	96.7	90.1	90.6	93.4 /96.80	84.9	78.3			96.80
FCM Parcels 2-day /2	94.9	94.0	95.1	90.1	96.8 /96.50	83.4	84.0			96.50
FCM Parcels 3-5 day /2	80.4	80.9	87.1	88.5	83.8 /95.25	77.8	72.0			95.25

Chart Prepared by Postal Consulting Services Inc. (PCSi)

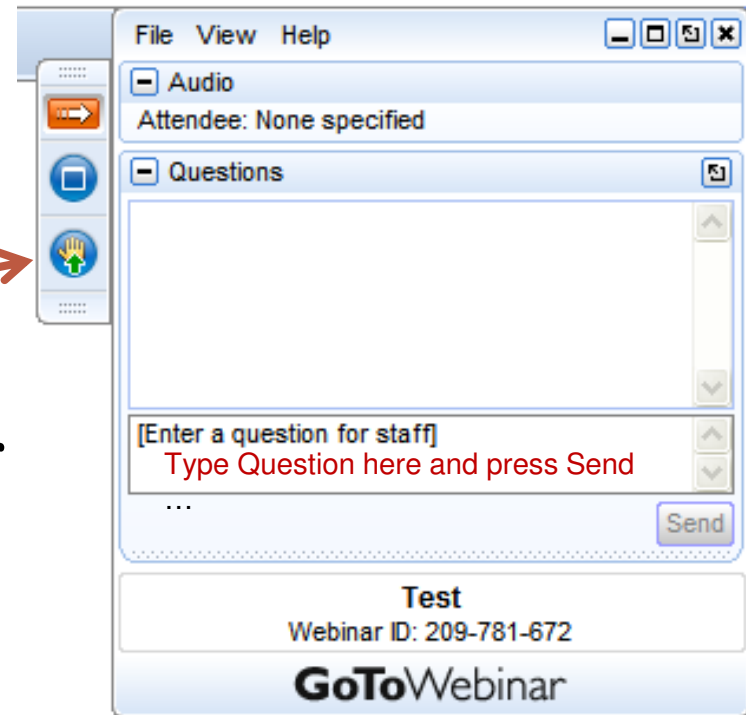
- /1 Results shown are obtained from the USPS' published quarterly service performance reports, and represent combined processing categories within the larger FCM category shown.
- /2 Results shown are obtained from the reports filed by the USPS with the Postal Regulatory Commission (PRC) and represent a finer breakdown of the combined processing category results reported in the USPS publicly available service performance reports.

Color Key: scores shown in red are below target, scores shown in green are at or above target



## Questions & Answers

- Two ways to ask questions
  1. Enter in the question box, or
  2. Ask your question
    - ✦ Click the “Raise Hand Tool”
    - ✦ Organizer will un-mute your line
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  - Approx. 48 hours
- *Please* complete the 6 question exit survey when you leave the webinar to help us improve our webinars





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