



Postal Regulatory Commission

REGULATION OF SERVICE QUALITY FOR
U.S. POSTAL SERVICE

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What Is Service Quality?



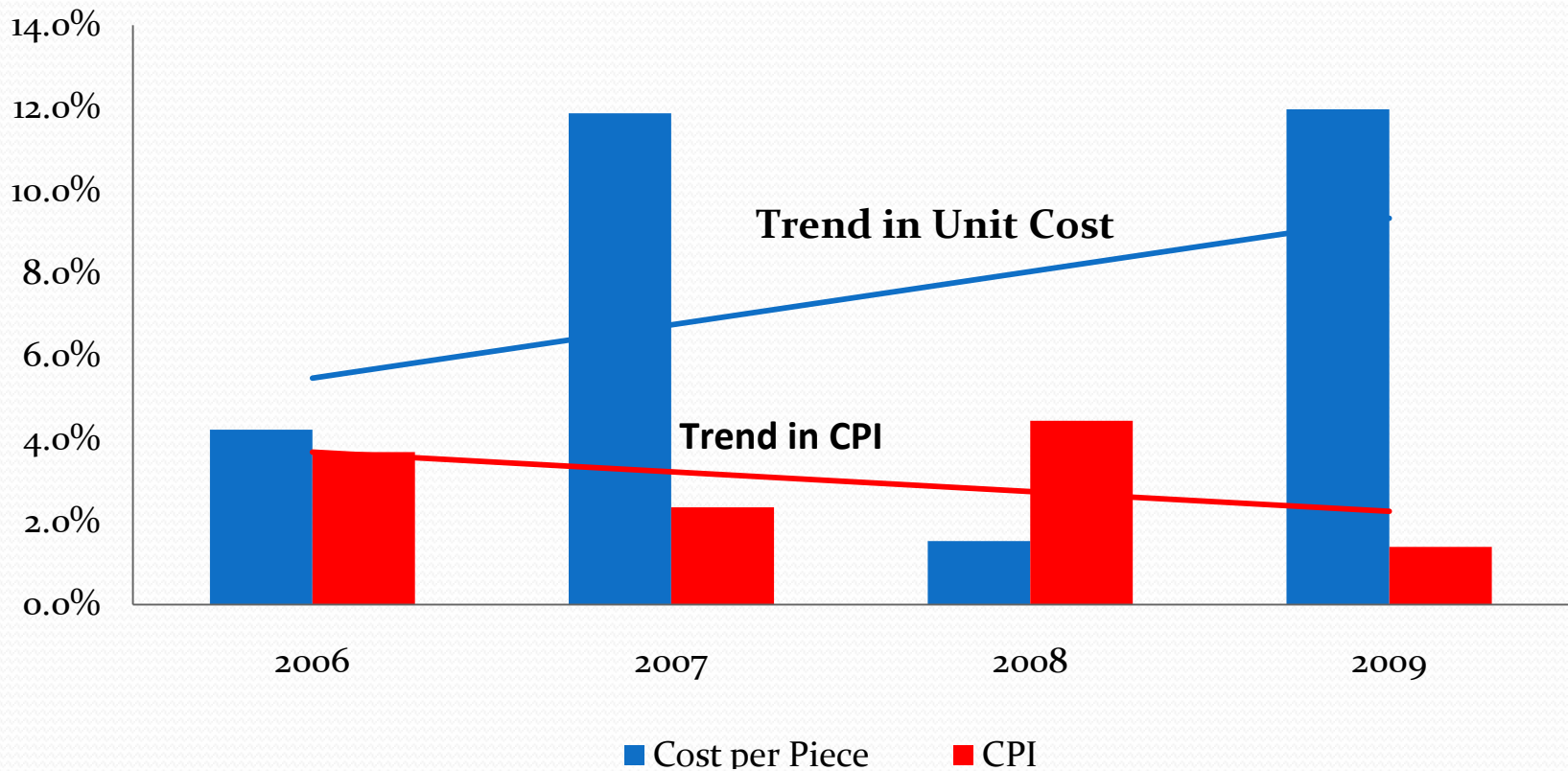
- Speed of delivery
- Reliability
- Customer Satisfaction

Why Regulate Service Quality?

- Required under the Postal Accountability and Enhancement Act of 2006
- Transparency and Accountability
- Incentive to lower service under a price cap
 - Lower costs
 - Improve retained earnings

Why Regulate Service Quality?

Change in Unit Cost and Inflation 2006-2009



Measuring Quality of Service



Speed of delivery

- Service Standards
- High performance goals
 - Consistently met

Measuring Quality of Service



Reliability

- Performance measurement
- Mail Security

Measuring Service Quality



Customer Satisfaction

- Retail
 - Wait time in line
 - Complaints
- Current measures
 - Customer Satisfaction Survey
 - Mystery Shopper

Role of PRC in Service Quality

- Service Standards
 - PRC consulted with the Postal Service on setting realistic service standards for all classes of mail
 - Reflect current operations
 - Solicited comments from interested parties

Postal Service Standards and Goals

Mail Class	Service Standard	U.S.P.S. Goal
First-Class	1 - 3 days	92% +
Single-Piece International	1 - 3 days	94%
Standard Mail	3 - 10 days	90%
Periodicals	1 - 20 days	91%
Package Services	2 - 8 days	90%

Role of PRC in Service Quality

- PRC approved the Postal Service's use of internal and hybrid measurement systems
 - Will closely monitor implementation
- PRC has issued proposed rules on reporting requirements for service standards

Measurement Systems for Service Performance

- First-Class single-piece
 - External measurement
 - Independent contractor
 - Seeded mail
 - Respondents

Measurement Systems for Service Performance

- Packages
 - Internal measurement
 - Delivery Confirmation scan
 - Clock starts at time of purchase
 - Clock ends when carrier scans delivery confirmation barcode

Measurement Systems for Service Performance

- Bulk mail
 - Hybrid measurement
 - Intelligent Mail Barcode (IMB)
 - Uniquely identifies each mailpiece
 - Tracking throughout the system
 - Actual delivery time from respondents
 - Concerns
 - Mailer adoption rate for IMB
 - Representativeness of IMB mail

Proposed Reporting Rules

- Postal Service must report performance for all products
- Annually
 - National average performance
 - Variance from goal
- Quarterly
 - Regional (area or district) level reporting
 - Average performance by service standard groupings

Role of PRC in Service Quality

- Customer Satisfaction
 - Separate rulemaking for customer satisfaction data reporting requirements will be conducted
 - Results of customer satisfaction survey and mystery shopper program will be monitored

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