POSTAL REGULATORY COMMISSION

[Docket No. PI2008–1; Order No. 83]

Administrative Practice and Procedure, Postal Service

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: Changes in the law governing the nation's postal system mandate adoption of service performance measurement and reporting systems for market dominant products, which include First-Class Mail. This notice presents a service measurement and reporting plan for public review and comment. The comments will assist the Commission in formulating its position on the plan.

DATES: Comments are due July 9, 2008.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at *http://www.prc.gov*.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, 202–789–6820 and *stephen.sharfman@prc.gov*.

SUPPLEMENTARY INFORMATION:

Regulatory History, 72 FR 72395 (December 20, 2007).

I. Background

Section 301 of the Postal Accountability and Enhancement Act (PAEA), Public Law 109–435, 120 Stat. 3218, requires the Postal Service, in consultation with the Postal Regulatory Commission (Commission), to establish by regulation a set of modern service standards for market dominant products.[1] The Postal Service completed this initial task with the publication of ''Modern Service Standards for Market-Dominant Products'' as a final rule, effective December 19, 2007.[2]

By statute, the service standards must be measured by an objective external performance measurement system, unless the Commission approves the use of an internal measurement system. 39 U.S.C. 3691(b)(1)(D) and (b)(2). The Postal Service is in the process of developing its performance measurement system, and has kept the Commission informed of its progress through a series of meetings to discuss service performance measurement issues. The Commission has solicited public input on the Postal Service's measurement system proposals by providing the public with an opportunity to comment on the Postal Service's November 2007 draft Service Performance Measurement plan.[3]

Since November, the Postal Service has made significant progress in working with its external measurement vendors and working through the implementation of the internal Intelligent Mail Barcode system. The result of this progress has led to a continuous refinement of the Service Performance Measurement plan. The Commission is in the process of preparing a reply to the Postal Service's most recent plan which will address the proposals for internal versus external measurement systems and the proposals for data reporting.

The text of the June 2008 version of the Service Performance Measurement plan appears below the signature line of this order. The perspective of the mailing community will aid the Commission in developing its reply to the Postal Service and help the Commission carry out its performance measurement responsibilities under the PAEA. Interested persons are invited to comment on any or all aspects of the proposed service performance measurement and reporting systems. This provides an opportunity for those that previously commented to update their comments, and for those that have yet to comment to provide initial comments. Comments are due July 9, 2008. All comments will be available for review on the Commission's Web site, *http://www.prc.gov*.

II. United States Postal Service Service Performance Measurement

A. Glossary of Terms

The description of the approach for service performance measurement includes references to certain postal terminology. For clarification, the following brief definitions and descriptions are provided.

The *Intelligent Mail® barcode (IMb)* is a height-modulated barcode that encodes up to 31-digits of mailpiece data. The IMb combines and expands the capabilities of the POSTNET barcode and the Planet Code® barcode into one unique barcode and is intended to replace the POSTNET and Planet Code barcodes by May 2010.

A *service standard* is defined as ''a stated goal for service achievement for each mail class.'' *See Publication 32, Glossary of Postal Terms* (May 1997, updated through July 5, 2007). The service standard for each market-dominant mail service incorporates the days-to-deliver for each 3-digit ZIP Code origin-destination pair within the Postal Service network. The standards serve as the benchmark for measuring service performance.

The *service performance* is the number of calendar days from the ''start-the-clock'' to the ''stop-the-clock''. However, if the day of the ''stop-the-clock'' event is immediately after a non-delivery day (Sunday or a holiday), then one day is subtracted from the service performance measurement calculation for each consecutive non-delivery day preceding the delivery day.

For *inclusion* in service performance measurement, a mail piece, container/handling unit, or mailing must pass verification and meet the applicable inclusion criteria listed in the appendix to this document. Verification is a system of checks used to determine if a mailing is properly prepared and if the correct postage is paid.

The *critical entry time (CET)* is the latest time that a reasonable amount of a class of mail can be received at designated induction points in the postal network for it to be processed and dispatched in time to meet service standards.

The *''start-the-clock''* is the date and time when the mail piece enters the mailstream. If the Postal Service accepts a mail piece before the posted CET for that day, the day of entry is designated as the ''start-the-clock'' date. If the mail piece is accepted after the CET or dropped at a collection box, business mail chute, or Post Office location after the last posted pickup time or on a day when pickup does not occur, the mail piece has a ''start-the-clock'' date of the following applicable acceptance day.

''Start-the-clock'' Day zero (or Day-0) is the date when the clock starts for purposes of service measurement.

The *''stop-the-clock''* is the date on which delivery occurs or is initially attempted.

A *Customer/Supplier Agreement (C/SA)* is a written notice that confirms, for a commercial mailer, the origin-entry acceptance window during which mail that meets applicable preparation requirements will be considered to have been entered into the postal network on ''start-the-clock Day zero,'' for purposes of service performance measurement. The notice may include mail containerization specifications, designated postal mail facility entry locations and time-sensitive mail entry windows.

The *Annual Compliance Report* includes the national annual service performance report for market-dominant products and is subject to compliance review by the Postal Regulatory Commission on a fiscal year basis.

[1] Section 301 of the PAEA is codified at 39 U.S.C. 3691.

[2] *See* 72 FR 72216 (December 19, 2007) (to be codified at 39 CFR parts 121 and 122).

[3] PRC Order No. 48, December 4, 2007; 72 FR 72395 (December 20, 2007).

A *postal area* is the administrative level directly below national headquarters and is comprised of multiple subordinate *postal districts*. There are currently nine areas that span the entirety of the postal network; these nine areas are comprised of a total of 80 subordinate districts.

In *service variance reports*, the Postal Service reports the cumulative percentage for mail pieces delivered after the applicable service standard. The Postal Service refers to the delivery performance of pieces delivered after the service standard as ''Within +X'' days of the standard.

The following are examples of calculating service variance:

TABLE 1.—EXAMPLES OF CALCULATING SERVICE VARIANCE—MAY 08

[Adapted from the original, which can be viewed on the Commission's Web site, *http://www.prc.gov/prc-pages/daily-listing*)]

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
April 28	29	30	May 1	2	3	4
			Example One.			Non-Delivery Day.
5	6	7	8 Day Zero	9 Day One	10 Day Two	11 Day Three
		Mail Entered After CET with 2 Day Service Standard	.....	.....	.....	Non-Delivery Day.
12 Day Four	13	14	15	16	17	18
Actual Delivery Day				Example Two.		Non-Delivery Day.
19	20	21	22 Day Zero	23 Day One	24 Day Two	25 Day Three
			Mail Entered Prior to CET with 3 Day Service Standard			Non-Delivery Day.
26 Day Four	27 Day Five	28	29	30	31	June 1
Holiday	Actual Delivery Day					Non-Delivery Day.

Example 1—Mail was entered after CET on Wednesday and delivered on Monday with a two-day service standard. Since the entry was after Wednesday's CET, day zero is now Thursday. Actual Delivery is the number of days it took (calendar days) to deliver the mail (Thursday to Monday) or 4 days. Expected Delivery is the service standard, which in this case is 2 days. The service performance measurement is Actual Delivery Day (4) minus Expected Delivery (2) minus any non-delivery days between the Expected Delivery Day and the Actual Delivery Day (1) = 1.

Example 2—Mail was entered prior to CET on Thursday and delivered on Tuesday with a three-day service standard. Actual Delivery is the time it took (calendar days) to deliver the mail (Thursday to Tuesday) or 5 days. Expected Delivery is the service standard, which in this case is 3 days, plus 2 days since Sunday and Monday are non-delivery days. The service performance measurement is Actual Delivery Day (5) minus Expected Delivery (5) minus any non-delivery days between the Expected Delivery Day and the Actual Delivery Day (0) = 0. Therefore, the mail piece was delivered on time.

Definition of Terms:

1. The Actual Delivery Day is the calendar day of the ''stop-the-clock'' for a mail piece.

2. Non-Delivery Days are nationally recognized days on which the Postal Service does not deliver mail to delivery points. Sundays and holidays are non-delivery days. Non-delivery days may also occur by Presidential proclamation such as a national day of mourning.

3. The Expected Delivery Day is calculated by adding the applicable service standard to the ''start-the-clock'' date for a mail piece. When that date lands on a non-delivery day, the expected delivery date becomes the next possible delivery date.

4. Service variance, represented as ''Within +X'', is the number of delivery days between the Expected Delivery Date for the mail piece and the Actual Delivery Date of the piece. ''Within +X'' is calculated by subtracting the Expected Delivery Date from the Actual Delivery Date and then subtracting any Non-Delivery Days between the Actual and Expected Delivery Dates from the result:

X = Actual Delivery Day − Expected Delivery Day − Non-Delivery Days between Actual and Expected Delivery Days

1. Introduction

Among many requirements, the Postal Accountability and Enhancement Act (PAEA) instructs the United States Postal Service (Postal Service) to establish modern service standards for its market-dominant mail products. According to the law, these standards should be designed ''to provide a system of objective external performance measurements for each market-dominant product as a basis for measurement of Postal Service performance.'' However, with the approval of the Postal Regulatory Commission (PRC), an internal measurement system may be implemented instead of an external system.[4]

The service performance measurement systems used for measurement will evolve over time as capacity increases. For example, the measurement system may be modified annually pending the outcome of the annual service standards review process. The measurement systems are designed to provide the Postal Service and its customers with data sufficiently accurate and reliable for purposes of assessing the quality of mail service in a cost effective manner. These data are expected to provide the PRC with the ability to perform its responsibilities under the PAEA with a high degree of confidence. The following table

[4] Postal Accountability and Enhancement Act, Public Law 109–435, 120 Stat. 3198, 39 U.S.C. 3691(b)(1)(D) and (b)(2).

summarizes the measurement system at full rollout.

TABLE 2.—POSTAL SERVICE MEASUREMENT APPROACH AT FULL ROLLOUT[1]

[Measurement approach by mail segment]

	Single-piece			Presort		
	Letters	Flats	Parcels	Letters	Flats	Parcels
First-Class Mail	EXFC	EXFC	Start: Acceptance scan. Stop: Delivery Confirmation delivery scan.	Start: Documented Arrival Time at Postal facility. Stop: External reporting.	EXFC as Proxy[2]	Start: Documented Arrival Time at Postal facility. Stop: Delivery Confirmation delivery scan.
Single-Piece First-Class Mail International.	IMMS[3]	EXFC as proxy[4]	Single-Piece First-Class Mail parcels as proxy.[5]	N/A	N/A	N/A.
Periodicals[6]	N/A	N/A	N/A	Start: Documented Arrival Time at Postal facility. Stop: External reporting.	Start: Documented Arrival Time at Postal facility. Stop: External reporting.	N/A. N/A.
Standard Mail	N/A	N/A	N/A	Start: Documented Arrival Time at Postal facility. Stop: External reporting.	Start: Documented Arrival Time at Postal facility. Stop: External reporting[7].	Start: Documented Arrival Time at Postal facility. Stop: Delivery Confirmation delivery scan.
Package Services	N/A	N/A[8]	Start: Acceptance scan. Stop: Delivery Confirmation delivery scan.	N/A	Start: Documented Arrival Time at Postal facility. Stop: External reporting.	Start: Documented Arrival Time at Postal facility. Stop: Delivery Confirmation delivery scan.

[1] Special Services are not included in Table 1 as they have different methods to ''start-the-clock'' and ''stop-the-clock'' from the market-dominant mail products.

[2] The Postal Service will use the External First-Class Mail Measurement System (EXFC) measurement for single-piece flats as a proxy for Presort First-Class Mail flats due to the very small volume of Presort flats.

[3] The International Mail Measurement System (IMMS) is an external measurement system for which an independent measurement contractor seeds mail into the mailstream.

[4] The EXFC measurement for domestic single-piece First-Class Mail flats will serve as a proxy for single-piece First-Class Mail International flats due to the small volume in the latter category. After clearing customs, single-piece First-Class Mail International flats enter the domestic mailstream and are handled with domestic single-piece First-Class Mail flats.

[5] The Postal Service will use the measurement for domestic single-piece First-Class Mail parcels as a proxy for single-piece First-Class Mail International parcels.

[6] Two mailer-operated external systems, Red Tag and Time Inc.'s DelTrak, will be used for Periodicals measurement during FY 2009, as the Postal Service transitions to a long-term internal solution.

2. Measurement Approach

For purpose of service performance measurement, the Postal Service will continue use of the External First-Class Measurement system (EXFC) for single-piece First-Class Mail letters and flats and the International Mail Measurement System (IMMS) for single-piece First-Class Mail International letters.[5] For letter- and flat-shaped Presort mail within First-Class Mail, Periodicals, and Standard Mail services, the Postal Service uses an external measurement approach that supplements mail scans available from an internal Intelligent Mail system with externally collected data. For parcel-shaped mail within First-Class Mail, Standard Mail, and Package Services,[6] the Postal Service uses an internal solution based on Delivery Confirmation scans obtained at acceptance and delivery. Additionally, the performance measurement of various domestic special services uses an internal measurement approach.

Destination-entered Standard Mail is subject to national Critical Entry Times (CETs). All other classes of mail are subject to locally-defined facility CETs. A Customer/Supplier Agreement between a bulk mailer and the Postal Service may identify an alternate acceptance window. In the case where a Customer/Supplier Agreement exists, it is the responsibility of the mailer to enter mail within the agreed-upon acceptance window. Customer/Supplier Agreements may include terms regarding seasonal volumes or split processing windows.

The two critical elements for service performance measurement of a mail

[5] The only major type of International Mail classified as market-dominant is single-piece First-Class Mail International. For single-piece First-Class Mail International flats and parcels, the Postal Service will use the domestic flats and parcel measurements as proxies, as explained in Section 4.1.

[6] Package Services market-dominant products include Parcel Post, Bound Printed Matter, Library Mail, and Media Mail, by operation of 39 U.S.C. 3621. For purposes of service standard establishment and service performance measurement, these market-dominant products are grouped together as Package Services due to their relatively small volumes.

piece are the date and time when the mail piece enters the mailstream, otherwise known as the ''start-the-clock,'' and the date when delivery occurs or is attempted, otherwise known as the ''stop-the-clock''.[7] The mail piece service performance measurement can be viewed as the difference between the ''start-the-clock'' and ''stop-the-clock'' dates, excluding non-delivery days, which is then compared to the established service standard for the mail category. When assessing mail piece service performance, relevant facility Critical Entry Times (CETs) must be taken into account. For commercial mail, Customer/Supplier Agreements (C/SAs) may also be employed and used to assign the ''start-the-clock'' Day-0 for purposes of service performance measurement. If the Postal Service accepts a mail piece either before the CET or within the acceptance window specified in the C/SA on a given acceptance day, the mail piece will have a ''start-the-clock'' date of the current day. If the mail piece is accepted after the CET, and outside the acceptance window specified in the C/SA, the mail piece will have a ''start-the-clock'' date of the following applicable acceptance day for that facility.[8]

2.1 Presort Letter and Flat-Shaped Mail

For Presort First-Class Mail, Standard and Periodical letters and for Standard and Periodical flats, the Postal Service's service performance measurement system uses documented arrival time at the postal facility to ''start-the-clock,'' and an external, third-party ''stop-the-clock'' performed by reporters with scanners in their homes. Additional data on mail piece tracking from Intelligent Mail barcode (IMb) scans are also used to supplement the external data. However, data collected by the Postal Service are provided to an independent, external contractor to calculate service measurement and compile the necessary reports.

To facilitate an accurate ''start-the-clock'' measurement, mailers prepare mail with IMb's and, as a part of the acceptance process, submit electronic mailing information that describes the mail profile. Mailings are verified at acceptance to ensure they meet applicable preparation requirements necessary to qualify for service performance measurement.[9] For mailers that meet the Full Service Intelligent Mail® Option, the Postal Service makes mail arrival time and mail preparation quality information available.

The external measurement 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 scan recorded by anonymous households and small businesses that report delivery information directly to the contractor. The end-to-end 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 mail that is delivered on the last processing date and the percent delivered after the last processing date. For Presort letters and non-saturation flats entered at Delivery Units that do not receive processing scans, postal personnel scan IMb's to indicate intention to deliver that day. By comparing the date of the Postal Service's final IMb scan with the reported delivery date for these mail pieces, the external measurement contractor calculates the delivery factor differential for each mail category. With this measurement approach, the core service performance score is augmented by data provided by external reporters, which provides a cost-effective method for end-to-end measurement.

External scanning offers many benefits to the Postal Service, the PRC, and mailers concerning the accuracy and auditability of service performance measurement: Delivery sampling data are used to provide the granularity required for district level reporting, and association of the reporter scan data to the final mail processing equipment scan is used to assess delivery failures.

The use of external reporters allows for barcoded mail that falls out of automation to be included in service performance measurement. To ensure that the external service measurement contractor is able to measure service performance for properly prepared and addressed mail pieces, the Postal Service provides the contractor with mail quality information that it derives by scanning IMb's.

This measurement approach leverages IMb data from internal systems for Presort letters and flat-shaped mail to enhance service measurement. It also allows for: Greater representation of mail characteristics; richer diagnostics; and robust and reliable measurement at low cost.

2.2 Measurement System Requirements for Presort Mailers of Letters, Cards, and Flats

The Postal Service performs service measurement on mail that satisfies generally applicable mail preparation requirements and also meets the requirements of the Full Service Intelligent Mail® Option, which gives the Postal Service the ability to identify unique mail pieces in the mailstream. These service measurement requirements include, unique Intelligent Mail® barcodes on mail pieces, trays and containers where appropriate, and appointment scheduling for Destination Bulk Mail Center (DBMC), Destination Area Distribution Center (DADC), and Destination Sectional Center Facility (DSCF) drop shipments, and for authorized mailers choosing to transport origin-entered, postal-verified mail to downstream facilities. They also may include electronic submission of postage statements and mailing documentation. More information on the Full Service Intelligent Mail® Option can be found in **Federal Register** notices [10] and will be published in future revisions of the Domestic Mail Manual (DMM).[11]

2.3 Parcels

For parcel-shaped First-Class Mail, Standard Mail, and Package Services, the Postal Service uses an internal solution based on Delivery Confirmation scans obtained at acceptance and delivery. For reporting purposes, First-Class Mail parcels are included with the First-Class Mail aggregate performance results and Standard Mail parcels are included with the Standard Mail aggregate performance.

For parcel-shaped Retail mail for which Delivery Confirmation service has been purchased, the Postal Service uses the Delivery Confirmation scan at the retail counter as the ''start-the-clock'' event. Parcel-shaped Presort mail uses the documented arrival time at the postal facility as the ''start-the-clock''. For Presort parcels, validation similar to that for letters and flats is performed to ensure that the parcels were dropped at the correct postal facility.

[7] Mail must pass verification before being included in service measurement.

[8] National CETs have been established for Standard Mail destination-entered at Sectional Center Facilities (SCFs) and Bulk Mail Centers (BMCs).

[9] Such requirements are in addition to those which must be met to qualify for mailing within a particular product or price category.

[10] *See* 73 FR 1158 (January 7, 2008) and 73 FR 23393 (April 30, 2008).

[11] The requirements for service performance measurement are separate from addressing, presortation, containerization, or other requirements generally governing price eligibility published in the Mail Classification Schedule or USPS Domestic Mail Manual.

The ''stop-the-clock'' event is the Delivery Confirmation scan performed by postal personnel at delivery.[12] Since postal personnel scan pieces with a Delivery Confirmation barcode at delivery, the measurement system is truly an end-to-end performance system. In addition, the sender has access to the Delivery Confirmation ''stop-the-clock'' information from the Track & Confirm function at the Postal Service's public Web site, *http://www.usps.com* and, thus, can independently verify the delivery date.

In accordance with section 3652 of the Postal Accountability and Enhancement Act, the Postal Service is required to report measures of the quality of service on an annual basis. The Postal Service's proposal for service measurement goes far beyond annual reporting and will instead provide quarterly reporting for all market-dominant products, almost entirely at a district level.

2.4 Reporting

The Postal Service uses an independent, external contractor to prepare service performance reports for domestic First-Class Mail, Periodicals, Standard Mail, and single-piece First-Class Mail International letters.

The Postal Service will continue collecting performance data for parcels within each domestic market-dominant mail class based on Delivery Confirmation acceptance and delivery scans. The Postal Service sends performance data for First-Class Mail parcels and Standard Mail parcels to the external service performance contractor for consolidated reporting of the performance of each mail class. Quarterly reports include data on the percentage of mail delivered on-time, as well as the percentage of mail delivered within 1-day, 2-days, and 3-days of the standard being measured. Annual compliance reports for each market-dominant product will include the annual target and the annual percentage of mail delivered on time.

For Special Services, the Postal Service reports a performance index that combines the measurement of a number of Special Services into a single index for comparison on an annual basis.

3 First-Class Mail

3.1 Background

First-Class Mail pieces represented 45.2 percent of the overall mail volume in FY2007,[13] with nearly 96 billion pieces. Of First-Class Mail, 41.3 percent are single-piece cards, letters or flats, 0.4 percent are single-piece parcels, 57.1 percent are Presort cards and letters, 1.0 percent are Presort flats, and 0.2 percent are Presort parcels. The Postal Service plans to measure each of these different segments and report a weighted average measurement separately for presort and single-piece categories. Below, Table 3—First-Class Mail Volume illustrates the make-up of First-Class Mail by entry volume and shape. The table also illustrates the percentage of the overall mailstream that each of these First-Class Mail segments represents.

TABLE 3.—FIRST-CLASS MAIL VOLUME

	Single-Piece			Presort			
	Letters (percent)	Flats (percent)	Parcels (percent)	Letters (percent)	Flats (percent)	Parcels (percent)	Total (percent)
First-Class Mail	38.0	3.3	0.4	57.1	1.0	0.2	100
Overall Mailstream	17	1.5	0.2	25.8	0.4	0.1	45.2

3.2 First-Class Mail Single-Piece Letters and Flats

Collection boxes and office building chutes are the primary methods for entering First-Class Mail single-piece letters and flats. Combined, this mail represents 18.7 percent of the total mailstream. Service performance is measured though EXFC.

EXFC continuously measures nearly all 3-digit ZIP Code service areas. EXFC mail pieces are designed to resemble the rest of the mailstream; pieces are hand- or machine-addressed, stamped or metered, and are of different colors, sizes, and weights. Quality reviews are conducted for droppers and reporters, and data are reviewed on a daily, weekly, bi-weekly, monthly, and quarterly basis.

3.2.1 ''Start-the-Clock''

The date and time that the mail piece is dropped into a collection box or business mail chute is the ''start-the-clock''. Mail piece droppers report the ''start-the-clock'' directly to the external service measurement contractor. If a mail piece is dropped at a collection box, business mail chute, or Post Office location after the last posted pickup time or on a day when pickup does not occur, the next pickup day is the ''start-the-clock''.

The induction points for the ''start-the-clock'' are determined before the start of each fiscal quarter. External droppers are provided with a listing of collection boxes that they are allowed to use for their assigned inductions in a given 3-digit ZIP Code service area. Enough locations are chosen to ensure a certain amount of coverage, to accommodate any unforeseen issues that may arise with the selected induction points. The collection boxes are chosen in a random selection process with replacement, meaning that the same induction location may be chosen multiple times. The induction points are weighted going into the selection process, so that locations in 5-digit ZIP Code areas with a larger number of collection boxes have a greater chance of being selected than locations in ZIP Codes areas with a smaller number of collection boxes. The external contractor monitors drop compliance continuously throughout the quarter to ensure proper diversification of mail locations.

EXFC origin-destination mail flows are based on estimated 3-digit ZIP Code origin-destination pair volume flows for corresponding 3-digit ZIP Code pairs over the past 12 quarters. The number of pieces entered from each postal administrative district is proportionate to the corresponding origin-destination volumes by service standard.

3.2.2 ''Stop-the-Clock''

The date that the mail piece is received at a household, small business, or Post Office Box is reported by the recipient as the ''stop-the-clock'' event directly to the external contractor for purposes of EXFC. The service

[12] Either by a carrier on a delivery route or a clerk in a Post Office Box section as delivery is completed or attempted.

[13] *See http://www.usps.com/financials/_pdf/RPW_FY_2007.pdf.*

performance is the number of calendar days from the ''start-the-clock'' to the ''stop-the-clock''. However, if the day of the stop-the-clock event occurs immediately after a non-delivery day (Sunday or a holiday), then one day is subtracted from the service performance calculation for each consecutive non-delivery day.

3.3 First-Class Mail Presort Letters and Cards

The primary induction method for Presort letters and cards is bulk entry at postal mail processing plants and Business Mail Entry Units (BMEUs) across the United States. Presort First-Class Mail letters and cards represent 25.8 percent of the total mailstream. The Postal Service's measurement approach uses externally generated delivery scans of mail pieces containing IMb's by reporters to record delivery dates. In combination with Intelligent Mail scan data collected by the Postal Service, this approach enables the granular level of reporting being sought by the mailing industry.

3.3.1 ''Start-the-Clock''

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMb's used. Mail is verified to ensure it meets mail preparation requirements. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement but it may have a new ''start-the-clock'' Day-0. Mail ''start-the-clock'' times and mail preparation quality information are made available to Full Service IMb mailers.

3.3.2 ''Stop-the-Clock''

External reporters use scanners capable of reading IMb's to record the ''stop-the-clock'' delivery event for individual mail pieces they receive and to transmit scan data to the external reporting system. By comparing the date of the final Postal Service processing scan with the actual receipt date for these pieces, the external measurement contractor calculates a delivery factor for the service performance of First-Class Mail Presort letters and cards. This delivery factor is combined with postal mail processing data to determine the end-to-end service performance measurement for mail that may not receive an external reporter scan.

The use of external reporters allows for mail that is manually processed and that falls out of automation to be included in service performance measurement. In these cases, the external reporters record the actual ''stop-the-clock'' event and provide that information to the external measurement contractor, which calculates the service performance for those pieces.

3.4 First-Class Mail Presort Flats

Presort First-Class Mail flats represent only 0.4 percent of the total mailstream, producing one of the smallest mail categories. The Postal Service uses the EXFC measurement of single-piece First-Class Mail flats as a proxy for Presort flats. In order to determine a more accurate estimate for First-Class Mail Presort flats, the portion of EXFC that reflects this mail category, i.e., machine-addressed flats, rather than hand-addressed, is used. If the external measurement contractor determines that sufficient volume of Presort Flats contains IMb's, the measurement system for Presort letters will be employed for Presort flats.

3.5 First-Class Mail Retail Parcels

The Postal Service measures service performance for this mail via Delivery Confirmation barcode scans. For reporting purposes, performance results are sent to the external measurement contractor for inclusion in aggregate First-Class Mail service performance results. First-Class Mail Retail parcels represent 0.4 percent of all First-Class Mail and less than 0.2 percent of the total mailstream.

3.5.1 ''Start-the-Clock''

Primarily, the ''start-the-clock'' event occurs at retail counters when customers purchase Delivery Confirmation for parcels they intend to mail. When postal retail personnel apply the Delivery Confirmation PS Form 152 to these parcels, they scan the unique Delivery Confirmation barcode on each form. The scan is captured via either a Point of Sale (POS) or Integrated Retail Terminal (IRT) at the retail counter or an Intelligent Mail scanning device. Since the customer is present at the ''start-the-clock'' event and receives a time-stamped receipt with purchase, there are several validation points for the ''start-the-clock'' event.

3.5.2 ''Stop-the-Clock''

At delivery, postal personnel scan the Delivery Confirmation PS Form 152 barcode to denote delivery or that delivery was attempted, either of which serves to ''stop-the-clock'' for service performance measurement. More information on delivery and attempted delivery can be found in the Appendix.

3.6 First-Class Mail Presort Parcels

First-Class Mail presort parcels represent under 0.2 percent of all First-Class Mail and less than 0.1 percent of the total mailstream. One differentiating characteristic of First-Class Mail Presort parcels is the propensity of senders to purchase Delivery Confirmation service. Using Delivery Confirmation scan data, performance results are calculated by the Postal Service and then sent to the external measurement contractor for inclusion into the First-Class Mail service aggregate performance results.

3.6.1 ''Start-the-Clock''

For service performance measurement of First-Class Mail Presort parcels, mailers use Delivery Confirmation and will submit electronic mailing documentation listing the unique Delivery Confirmation barcodes used. Mail is verified to ensure it meets applicable mail preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement but it may have a new ''start-the-clock'' Day-0. The ''start-the-clock'' event is the documented arrival time of the mailing at the Postal Service acceptance facility. Arrival times are made available to mailers.

3.6.2 ''Stop-the-Clock''

Postal personnel scan the Delivery Confirmation barcode upon delivery and can denote the delivery or attempted delivery, either of which serves to ''stop-the-clock'' for service performance measurement.

3.7 Reporting for First-Class Mail

3.7.1 Quarterly Reporting

For Single-Piece First-Class Mail, the Postal Service reports on-time service performance separately by day (i.e., overnight, 2-day, and 3-day/4-day/5-day), for each postal district on a quarterly basis. This greatly expands the number of performance measures reported, yet is consistent with the way EXFC currently reports single-piece First-Class Mail service. The use of data from the final Intelligent Mail scans allows reporting at a higher degree of granularity. The Postal Service sends performance data for First-Class Mail parcels to the external service performance contractor for consolidated reporting purposes.

The quarterly report format for on-time performance of Single-Piece First-Class Mail is as follows:

TABLE 4.—QUARTERLY PERFORMANCE FOR SINGLE-PIECE FIRST-CLASS MAIL; SAMPLE QUARTERLY REPORT FORMAT FOR SINGLE-PIECE FIRST-CLASS MAIL

District	Overnight	Two-day	Three-day/four-day/five-day
	% On-time	% On-time	% On-time
Capital Metro Area	xx	xx	xx
Baltimore District	xx	xx	xx
Capital District	xx	xx	xx
South Carolina District	xx	xx	xx
Greensboro District	xx	xx	xx
Mid-Carolinas District	xx	xx	xx
No. Virginia District	xx	xx	xx
Richmond District	xx	xx	xx

A similar report is produced to report quarterly service performance for Presort First-Class Mail.

The service variance for Single-Piece First-Class Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. The quarterly service variance report format for Single-Piece First-Class Mail is as follows:

TABLE 5.—QUARTERLY PERFORMANCE FOR SINGLE-PIECE FIRST-CLASS MAIL SERVICE VARIANCE; SAMPLE QUARTERLY REPORT FORMAT WITH SERVICE VARIANCE FOR SINGLE-PIECE FIRST-CLASS MAIL

District	Overnight			Two-day			Three-day/four-day/five-day		
	Within + 1-day (percent)	Within + 2-days (percent)	Within + 3-days (percent)	Within + 1-day (percent)	Within + 2-days (percent)	Within + 3-days (percent)	Within + 1-day (percent)	Within + 2-days (percent)	Within + 2-days (percent)
Capital Metro Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
Baltimore District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
Capital District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
South Carolina District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
Greensboro District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
Mid-Carolinas District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
No. Virginia District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x
Richmond District	xx.x	xx.x	xx	xx.x	xx.x	xx.x	xx.x	xx.x	xx.x

A similar service variance report is produced to report quarterly service performance for Presort First-Class Mail.

3.7.2 Annual Reporting

Separate national measures are compiled per fiscal year for each First-Class Mail segment (Single-Piece and Presort) and by service standard (one-day, two-day, and three-day/four-day).

Annual performance consists of a weighted average for each First-Class Mail segment that allots weight based on the volume of mail in each district. If the segments are not representatively distributed, the weighting ensures that each district counts for the appropriate portion of the national aggregate.

TABLE 6.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FORMAT FOR FIRST-CLASS MAIL

Mail class	Target (percent)	Percent on-time
First-Class Mail:		
Single-Piece Overnight	xx	xx
Single-Piece Two-Day	xx	xx
Single-Piece Three-Day/Four-Day	xx	xx
Presort Overnight	xx	xx
Presort Two-Day	xx	xx
Presort Three-Day/Four-Day	xx	xx

4 Single-Piece First-Class Mail International

4.1 Background

The United States Postal Service accepts outbound single-piece First-Class Mail International pieces for processing and transfer to foreign postal administrations for delivery to their destination address. The service standard for the outbound domestic transit of this mail is the same as for First-Class Mail pieces from the domestic 3-digit ZIP Code of origin to the domestic 3-digit ZIP Code area in which the Postal Service International Service Center (ISC) designated for that origin is located.[14]

Inbound single-piece First-Class Mail International originates from other countries and is destined for delivery to addresses in 3-digit ZIP Code areas of the United States. The service standard for the inbound domestic transit of this mail is the same as for First-Class Mail that originates from the 3-digit ZIP Code in which the designated ISC is located to the 3-digit ZIP Code area of the delivery address.

Service performance for the domestic transit of both inbound and outbound single-piece First-Class Mail International is measured through the International Mail Measurement System (IMMS), which is operated by an external service performance measurement contractor.

IMMS utilizes only letter-shaped mail pieces, which is the predominant shape of both outbound and inbound single-piece First-Class Mail International. The processing of single-piece First-Class Mail International—during either outbound transit from domestic origin to the designated ISC or inbound transit from the designated ISC to the domestic delivery address—is the same as for domestic single-piece First-Class Mail letters and parcels, which are discussed above in sections 3.2 and 3.5, respectively. The domestic transit service standards are the same. Accordingly, the Postal Service will use service performance data for domestic single-piece First-Class Mail flats (EXFC) and parcels (Delivery Confirmation) as a proxy for estimating the service performance for outbound and inbound single-piece First-Class Mail International flats and inbound surface parcels.

4.1.1 ''Start-the-Clock''

To measure outbound single-piece First-Class Mail International letters service performance, the external contractor arranges for sample international pieces to be commingled with pieces created for the domestic EXFC testing program, which is described above in section 3.2. The date and time that the test pieces are dropped into collection boxes or business mail chutes is the ''start-the-clock'' event reported by droppers directly to the independent contractor.

To test inbound single-piece First-Class Mail International letter service performance, sample letters addressed to reporters in the United States employed by the external contractor are mailed from foreign countries by droppers also employed by the IMMS service performance measurement contractor, which has worldwide operations. To maintain the confidentiality of the program, the identities and addresses of the reporters and droppers (as well as the participating foreign countries of the droppers and receivers) are known only to the contractor. The inbound ''start-the-clock'' tracking begins with the date and time of the first Postal Service scan of the PLANET Code barcode [15] on a piece at the ISC that first handles the mail. Mailpieces received at the designated ISC on a Sunday or holiday have a ''start-the-clock'' date of the next processing date.

4.1.2 ''Stop-the-Clock''

As an outbound international mail letter travels through the Postal Service's mail processing system, the PLANET Code information on the piece is captured and used to measure its progress. When the letter is sorted at the designated ISC, it receives an ID tag and/or PLANET Code scan. The ''stop-the-clock'' for an outbound mail piece is the date of the last scan at this facility. The number of transit days for outbound mail is the difference between the induction date and the last PLANET Code read at the designated ISC. Because the ''stop-the-clock'' event takes place at an ISC, as opposed to a delivery point, the transit days calculation includes Sundays and holidays.

An inbound international mail letter flows through the USPS network from the ISC to the delivery addresses. The ''stop-the-clock'' event data for inbound mail pieces are the dates on which they are delivered to reporters employed by the service measurement contractor. The reporter is part of the EXFC survey group and is responsible for receiving the mail and reporting the date of delivery. The number of transit days for inbound test mail is the difference between the delivery date and the date of the first PLANET Code read or ID tag at the designated ISC. The service performance is calculated in the same method as described in the Glossary.

Because the service standards for both outbound and inbound single-piece First-Class Mail International flats and parcels are based on the domestic transit of such mail, on-time performance is measured against the same set of origin-destination 3-digit ZIP Code area service standards as domestic First-Class Mail.

4.2 Reporting Single-Piece First-Class Mail International

4.2.1 Quarterly Reporting

Since not all postal administrative districts have sufficient international volumes for statistically representative reporting, the Postal Service reports international quarterly service performance at a postal administrative area level. Each measurement includes the percent delivered on time for outbound and for inbound single-piece First-Class Mail International. All scores are weighted at the area level using proportions derived from a rolling average of estimated volumes for 12 fiscal quarters.

The quarterly report format for Single-Piece First-Class Mail International is as follows:

[14] The postal mail processing network includes a handful of ISCs, each of which serves a region of the postal network and is responsible for conducting the initial international processing for outbound international mail or the final international processing for inbound international mail. For outbound mail, the ISC for a postal network region may be the gateway facility from which mail is transported from the postal network to the custody of a foreign postal administration. In a small percentage of cases, outbound mail may be transported from its designated ISC to another ISC for the outbound gateway processing that precedes its exit from the postal network.

[15] The PLANET Code is a barcode printed on mail pieces by mailers participating in the CONFIRM program. CONFIRM enables mailers to receive detailed scan information about the pieces they mail in order to track mail through the postal network. The PLANET Code will be phased out by May 2010 and replaced by the IMb.

TABLE 7.—QUARTERLY PERFORMANCE FOR SINGLE-PIECE INTERNATIONAL MAIL; SAMPLE QUARTERLY REPORT FORMAT FOR SINGLE-PIECE FIRST-CLASS MAIL INTERNATIONAL

Area	% On-time inbound	% On-time outbound
Northeast Area	xx.x	xx.x
New York Metro Area	xx.x	xx.x
Eastern Area	xx.x	xx.x
Capital Metro Area	xx.x	xx.x
Southeast Area	xx.x	xx.x
Great Lakes Area	xx.x	xx.x
Western Area	xx.x	xx.x
Southwest Area	xx.x	xx.x
Pacific Area	xx.x	xx.x
National	xx.x	xx.x

The service variance for Single-Piece First-Class Mail International is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable service standard. The quarterly report format is as follows:

TABLE 8.—QUARTERLY PERFORMANCE FOR SINGLE-PIECE INTERNATIONAL MAIL SERVICE VARIANCE; SAMPLE QUARTERLY REPORT FORMAT WITH THE SERVICE VARIANCE FOR SINGLE-PIECE FIRST-CLASS MAIL INTERNATIONAL

Area	Inbound			Outbound		
	Within + 1-day (percent)	Within + 2-days (percent)	Within + 3-days (percent)	Within + 1-day (percent)	Within + 2-days (percent)	Within + 3-days (percent)
Northeast Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
New York Metro Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Eastern Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Capital Metro Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Southeast Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Great Lakes Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Western Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Pacific Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
National	xx.x	xx.x	xx	xx.x	xx.x	xx.x

4.2.2 Annual Reporting

The Postal Service's Annual Compliance Report includes the national measure per fiscal year for the percentage of single-piece First-Class Mail International delivered on time. Annual performance consists of a weighted average that allots weight based on the volume of mail in each of the nine postal administrative areas. If the data are not representatively distributed, the weighting ensures that each area counts for the appropriate portion of the national aggregate.

The Annual Compliance Report format for the Single-Piece First-Class Mail International is as follows:

TABLE 9.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FOR SINGLE-PIECE FIRST-CLASS MAIL INTERNATIONAL

Mail Class	Target (percent)	% on-time
Single-Piece International Mail	.....	.....
First-Class Mail	xx.x	xx.x

5 Standard Mail

5.1 Background

Standard Mail pieces represented 49.2 percent of the overall mail volume in FY2007.[16] At over 103 billion mail pieces, it has the largest annual volume of any mail product. By shape, Standard Mail, is 61.1 percent letters, 38.3 percent flats, and 0.6 percent parcels. Table 10—Standard Mail Volume below illustrates the make-up of Standard Mail and illustrates the percentage that Standard Mail letters, flats, and parcels represent in relation to the overall mailstream. Different categories of Standard Mail have different preparation and entry requirements for mailers and thus are measured separately. Accordingly, this section has been separated into the following subsections: Non-saturation letters, non-saturation flats, saturation letters and flats, and parcels.

[16] *See http://www.usps.com/financials/_pdf/RDW_FY_2007.pdf.*

TABLE 10.—STANDARD MAIL VOLUME[1]

	Presort			
	Letters (percent)	Flats (percent)	Parcels (percent)	Total (percent)
Standard Mail	61.1	38.3	0.6	100
Overall Mailstream	30.1	18.8	0.3	49.2

[1] For purposes of publication, the reference to Table 3 in the plan has been changed to Table 10.

5.2 Standard Mail Non-Saturation Letters

The primary induction method for Standard Mail non-saturation letters is bulk entry. The Postal Service bases service performance measurement on the documented arrival time at the postal facility where the mail is accepted, and in-home IMb delivery scan data provided by external reporters.

5.2.1 ''Start-the-Clock''

Full Service IMb mailers are required to prepare mail with IMb's and submit electronic mailing documentation listing the IMb's used. Mail is verified to ensure it meets preparation requirements. Mail that does not meet mail preparation requirements is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new ''start-the-clock'' Day-0. Drop shipment mailers schedule appointments for Standard Mail non-saturation letters in the Postal Service's Facility Access and Shipment Tracking (FAST) system for DBMC, DADC and DSCF drop shipments. The ''start-the-clock'' is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

5.2.2 ''Stop-the-Clock''

External reporters are equipped with IMb scanners for recording the ''stop-the-clock'' delivery event for all mail they receive containing an IMb and transmitting data to the external reporting system. By comparing the date of the final postal mail processing scan with the actual receipt date for these pieces, the external service performance measurement contractor calculates a delivery factor for Standard Mail letters. This delivery factor is combined with the mail processing data for Full Service IMb Standard Mail letters that may not receive an external reporter scan to determine the end-to-end service performance measurement.

The use of external reporters allows for mail that is not exposed to or that falls out of automation to be included in service performance measurement. The external reporters provide the actual ''stop-the-clock'' on such pieces, and the external measurement contractor calculates the service performance for those pieces that go to the external reporters.

5.3 Standard Mail Non-Saturation Flats

The primary induction method for Standard flats is bulk entry. As of May 2009, mailers of automation non-saturation flats will be required to have a delivery point POSTNET or IMb. Also as of May 2009, in order to qualify for the lowest automation prices, Full Service IMb mailers will be required to apply an IMb on automation non-saturation flats.

5.3.1 ''Start-the-Clock''

Full Service IMb mailers are required to submit electronic mailing documentation listing the IMb's used. Mail is verified to ensure it meets mail preparation criteria. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new ''start-the-clock'' Day-0. Drop shipment mailers create appointments for Standard Mail flats in the Postal Service's Facility Access and Shipment Tracking (FAST) system at DBMC, DADC and DSCF facilities. The ''start-the-clock'' is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

5.3.2 ''Stop-the-Clock''

External reporters are equipped with IMb scanners for use in recording the ''stop-the-clock'' delivery event for individual mail pieces that bear an IMb and transmitting data to the external reporting system. By comparing the date of the final postal mail processing scan with the receipt date for these pieces, the external service measurement contractor can calculate a delivery factor for the service performance of Standard Mail flats. This delivery factor is combined with the mail processing data that may not receive an external reporter scan to determine the end-to-endservice performance measurement for Standard Mail flats.

5.4 Standard Mail Saturation Letters and Flats

For Standard Mail saturation letters and flats, the primary induction method is Sectional Center Facility or Delivery Unit dropped bundles and saturation trays. Due to the distinct characteristics of saturation letters and flats, the Postal Service is proposing a measurement approach specific to these mail types.

5.4.1 ''Start-the-Clock''

When required, Full Service IMb mailers submit electronic mailing documentation listing the IMb's used. Mail is verified to ensure it meets mail preparation criteria. Mail that does not meet mail preparation standards is excluded from service performance measurement. If a mailer decides to rework the mail so that it meets preparation requirements or decides to pay additional postage, the mail will be included in service performance measurement, but it may have a new ''start-the-clock'' Day-0. Drop shipment mailers create appointments for Standard Mail in the Postal Service's FAST system at DBMC, DADC and DSCF facilities providing advance notification of the mail profile and arrival times. The ''start-the-clock'' is the documented arrival time at the Postal Service acceptance facility. For mailers that meet the requirements of the Full Service Intelligent Mail® Option, mail arrival times and mail preparation quality information are made available.

5.4.2 ''Stop-the-Clock''

As with non-saturation Standard Mail letters and flats, saturation mail with IMb's is scanned by external reporters to

''stop-the-clock''. However, unique barcodes are not required on saturation mail. The Postal Service will develop methods for external reporters to capture the ''stop-the-clock,'' such as requiring training for external reporters to identify saturation mail and have them report delivery of such pieces without an IMb on the date of receipt. These data will be sent to the external reporting system and will be the ''stop-the-clock'' for the individual mail pieces. The external service measurement contractor calculates the service performance for the pieces that go to the external reporters.

5.5 Standard Mail Parcels

Many Standard Mail parcel shippers choose to purchase special services such as Delivery Confirmation for their mail. The Postal Service performs service measurement on Standard Mail parcels that pass verification and use Delivery Confirmation service. For reporting purposes, results are calculated by the Postal Service then sent to the external measurement contractor for inclusion into aggregate Standard Mail results. Full Service implementation will include electronic submission of postage statements and mailing documentation, unique Intelligent Mail Package barcodes, unique Intelligent Mail Container barcodes, and appointment scheduling for drop shipments at DBMC, DADC and DSCF facilities. These requirements are separate from addressing, presortation, containerization, or other specifications generally governing price eligibility.

5.5.1 ''Start-the-Clock''

The ''start-the-clock'' for Standard Mail parcels is the documented arrival time at the Postal Service facility.

5.5.2 ''Stop-the-Clock''

Postal personnel scan Delivery Confirmation barcodes upon delivery of parcels for which Delivery Confirmation service has been purchased. They can denote the delivery or attempted delivery, either of which serves to ''stop-the-clock''.

5.6 Reporting for Standard Mail

5.6.1 Quarterly Reporting

Quarterly reporting for Standard Mail reflects performance by postal district separately for destination entry mail and end-to-end mail. Reporting destination entry mail and end-to-end mail separately by service standard day significantly expands the number of performance measures reported and the number of external reporters required. The measurements provide ample detail to assess the quality of service without becoming cost prohibitive for the Postal Service. The Postal Service sends performance data for Standard Mail parcels to the external service performance contractor for consolidated reporting purposes.

The quarterly report format for Standard Mail is as follows:

TABLE 11.—QUARTERLY PERFORMANCE FOR STANDARD MAIL; SAMPLE QUARTERLY REPORT FORMAT FOR STANDARD MAIL

District	Destination entry	End-to-end
	On-time (Percent)	On-time (Percent)
Capital Metro Area	xx.x	xx.x
Baltimore District	xx.x	xx.x
Capital District	xx.x	xx.x
Greater South Carolina District	xx.x	xx.x
Greensboro District	xx.x	xx.x
Mid-Carolinas District	xx.x	xx.x
No. Virginia District	xx.x	xx.x
Richmond District	xx.x	xx.x

The service variance for Standard Mail pieces is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. The quarterly report format for Standard Mail service variance is as follows:

TABLE 12.—QUARTERLY PERFORMANCE FOR STANDARD MAIL SERVICE VARIANCE; SAMPLE QUARTERLY REPORT FORMAT FOR STANDARD MAIL SERVICE VARIANCE

District	Destination entry			End-to-end		
	Within +1-day (Percent)	Within +2-days (Percent)	Within +3-days (Percent)	Within +1-day (Percent)	Within +2-days (Percent)	Within +3-days (Percent)
Capital Metro Area	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Baltimore District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Capital District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Greater South Carolina District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Greensboro District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Mid-Carolinas District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
No. Virginia District	xx.x	xx.x	xx	xx.x	xx.x	xx.x
Richmond District	xx.x	xx.x	xx	xx.x	xx.x	xx.x

5.6.2 Annual Reporting

The Postal Service reports a national aggregate measure per fiscal year for the percentage of Standard Mail delivered on time. The Annual Compliance Report includes letter, flat, and parcel-shaped Standard Mail. It consists of a weighted average for each Standard Mail segment that allots weight based on the volume of mail in each postal administrative district. If the segments are not representatively distributed, the weighting ensures that each district counts for the appropriate portion of the national aggregate.

The Postal Service's Annual Compliance Report format for Standard Mail is as follows:

TABLE 13.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FORMAT FOR STANDARD MAIL

Mail class	Target (percent)	Percent on-time
Standard Mail.		
Letters, Flats, and Parcels	xx.x	xx.x

6 Periodicals

6.1 Background

Periodicals represented just over 4 percent of the overall mail volume in FY2007,[17] with 8.8 billion mail pieces. Periodicals consist of letter- and flat-shaped pieces, most of which are destination-dropped. The Postal Service uses the same interim service measurement approach for both letters and flats, which relies on external reports generated by Red Tag and DelTrak.

6.2 Periodicals Letters and Flats

All Periodicals are bulk entry or drop shipments, and the vast majority of the volume is flats. Table 14—Periodicals Mail Volume illustrates the make-up of Periodicals Mail. It also illustrates the percentage that each Periodicals shape represents within the overall mailstream.

TABLE 14.—PERIODICALS MAIL VOLUME [1]

	Letters (Percent)	Flats (Percent)	Total (Percent)
Periodicals	1.5	98.5	100.0
Overall Mailstream	0.1	4.1	4.2

[1] For purposes of publication, the reference to Table 3 in the plan has been changed to Table 14.

6.2.1 Interim Approach

Until the Intelligent Mail system has sufficient Periodicals volume using IMb's, the Postal Service uses two external systems, Red Tag and DelTrak, to measure Periodicals service performance. The ''start-the-clock'' for both external systems is the mailer-reported induction time. For Red Tag and DelTrak, the ''stop-the-clock'' is the delivery date reported online by the external reporters. These reporters are mainly concentrated in postal administrative districts with high population density. Due to the limited number of reporters participating in these programs, data are only statistically valid for the desired precision at a postal administrative area level.

6.3 Reporting for Periodicals

6.3.1 Quarterly Reporting

In FY2009, the Postal Service will use Red Tag and DelTrak data for reporting at the area level on a quarterly basis. The data from both systems will be provided to an external measurement contractor for application of business rules and combining of the data for overall performance reporting.

The Postal Service reports service performance at a postal administrative area level in the interim until the volume of Periodicals with IMb's and electronic mailing documentation is sufficiently robust to provide statistically significant results at a lower level of aggregation. As additional performance data become available, the granularity will increase and may allow for reporting at the district level.

The quarterly report format for Periodicals is as follows:

TABLE 15.—QUARTERLY PERFORMANCE FOR PERIODICALS; SAMPLE QUARTERLY REPORT FORMAT FOR PERIODICALS

Area	Percent on-time
Northeast Area	xx.x
New York Metro Area	xx.x
Eastern Area	xx.x
Capital Metro Area	xx.x
Southeast Area	xx.x
Great Lakes Area	xx.x
Western Area	xx.x
Southwest Area	xx.x
Pacific Area	xx.x
National	xx.x

The service variance for Periodicals is reported separately, reflecting the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. The quarterly service variance report format for Periodicals is as follows:

[17] *See http://www.usps.com/financials/_pdf/RPW_FY_2007.pdf.*

TABLE 15.—QUARTERLY PERFORMANCE FOR PERIODICALS SERVICE VARIANCE; SAMPLE QUARTERLY REPORT FORMAT WITH SERVICE VARIANCE FOR PERIODICALS

Area	Within +1-day (percent)	Within +2-days (percent)	Within +3-days (percent)
Northeast Area	xx.x	xx.x	xx.x
New York Metro Area	xx.x	xx.x	xx.x
Eastern Area	xx.x	xx.x	xx.x
Capital Metro Area	xx.x	xx.x	xx.x
Southeast Area	xx.x	xx.x	xx.x
Great Lakes Area	xx.x	xx.x	xx.x
Western Area	xx.x	xx.x	xx.x
Southwest Area	xx.x	xx.x	xx.x
Pacific Area	xx.x	xx.x	xx.x
National	xx.x	xx.x	xx.x

6.3.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Periodicals mail delivered on time.

Annual performance consists of a weighted average for each Periodicals segment that allots weight based on the volume of mail in each Area. If the data are not representatively distributed, the weighting ensures that each Area counts for the appropriate portion of the national aggregate.

The Postal Service's Annual Compliance Report format for Periodicals Mail is as follows:

TABLE 16.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FORMAT FOR PERIODICALS

Mail class	Target (Percent)	Percent on-time
Periodicals. Letters, Flats, and Parcels ...	xx.x	xx.x

7 Package Services

7.1 Background

Market-dominant Package Services products include single-piece Parcel Post, Bound Printed Matter, Library Mail, and Media Mail. Presort Package Services flat-shaped mail is mainly composed of oversized catalogs, which are operationally handled the same as Standard Mail flats. Accordingly, the Postal Service measures Presort Package Services flats using the same approach as Standard Mail flats.

Package Services parcel-shaped mail represented less than 0.3 percent of overall mail volume in FY2007.[18] Among Package Services parcels, 14.5 percent are Retail and 85.5 percent are Presort.

Table 17—Package Services Parcel-Shaped Mail Volume illustrates the make-up of parcels by entry method. The table also illustrates the percentage that market-dominant Package Services parcel-shaped mail represents within the overall domestic mailstream.

TABLE 17.—PACKAGE SERVICES PARCEL-SHAPED MAIL VOLUME [1]

	Retail (Percent)	Presort (Percent)	Total (Percent)
Package Services (Parcel-shaped)	14.5	85.5	100
Total Domestic Mailstream	0.1	0.3	0.4

[1] For purposes of publication, the reference to Table 5 in the plan has been changed to Table 17.

7.2 Retail Package Services

The Postal Service measures service performance for Package Services Retail mail via Delivery Confirmation scans. Retail Package Services parcels represent 14.5 percent of all Package Services parcels, but less than 0.1 percent of the total mailstream. Delivery Confirmation is included on 16 percent of such parcels, which represents a significant volume.

7.2.1 ''Start-the-Clock''

The ''start-the-clock'' for Retail Package Services mail occurs at the retail counter when the customer purchases Delivery Confirmation. When retail personnel apply the Delivery Confirmation PS Form 152 to parcels, they scan the Delivery Confirmation form barcode. The scans are captured via either a POS or IRT terminal at the retail counter or an Intelligent Mail handheld scanning device. Because the customer is present at the ''start-the-clock'' event and receives a time-stamped receipt with purchase, there are several validation points.

7.2.2 ''Stop-the-Clock''

Postal personnel scan the Delivery Confirmation barcodes upon delivery or attempted delivery, either of which serves to ''stop-the-clock''.

7.3 Presort Package Services

The Postal Service performs service measurement on presorted mail that passes verification and uses Delivery Confirmation service or the IMb. Service performance preparation requirements include electronic submission of postage statements and mailing documentation (when required), unique Intelligent Mail® Package barcodes or IMb's, unique Intelligent Mail® Container barcodes, and appointment scheduling for drop shipments at DBMC, DADC and DSCF facilities. These requirements are separate from addressing, presortation,

[18] *See http://www.usps.com/financials/_pdf/RPW_FY_2007.pdf.*

containerization, or other requirements generally governing price eligibility.

7.3.1 ''Start-the-Clock''

The ''start-the-clock'' for Presort Package Services is the documented arrival time at the Postal Service acceptance facility. For drop shipments at DBMC, DADC and DSCF facilities, the ''start-the-clock'' event is based on the customer's documented appointment and the driver-reported arrival time to the Postal Service, which are used to determine when the mail is available for processing. For mail that is presented at the BMEU, the arrival of the mailing is used as the ''start-the-clock'' as long as the mailing meets applicable preparation and service measurement requirements. For mail that is presented at the Delivery Unit, delivery confirmation or Intelligent Mail Container barcode scan events are used to ''start-the-clock''. As with other mailings that enter a postal facility loading dock area, the Postal Service scans containers that have an Intelligent Mail Container barcode or uses electronic documentation to validate mailer shipment content and acceptance time.

7.3.2 ''Stop-the-Clock''

For Package Services parcels, postal personnel scan Delivery Confirmation barcodes upon delivery or attempted delivery, either of which serves to ''stop-the-clock'' for service performance measurement. For flats, mail with IMb's is scanned by external reporters to record ''stop-the-clock'' delivery events and transmitted to the external reporting system. By comparing the date of the final postal mail processing scan with the delivery date for these pieces, the external service measurement contractor can calculate a factor for the service performance for Package Services flats. The delivery factor is combined with the mail processing data that may not receive an external reporter scan to determine the end-to-end service performance measurement for Package Services flats.

7.4 Reporting for Package Services

7.4.1 Quarterly Reporting

The Postal Service reports quarterly on the percentage of mail that is delivered on time. The quarterly report format for Package Services parcels is as follows:

TABLE 18.—QUARTERLY PERFORMANCE FOR PACKAGE SERVICES; SAMPLE QUARTERLY REPORT FORMAT WITH SERVICE VARIANCE FOR PACKAGE SERVICES PARCELS

District	Percent on-time
Capital Metro Area	xx.x
Baltimore District	xx.x
Capital District	xx.x
Greater South Carolina District	xx.x
Greensboro District	xx.x
Mid-Carolinas District	xx.x
No. Virginia District	xx.x
Richmond District	xx.x

The service variance for Package Services parcels is reported separately as the percentage of mail that is delivered within one-day, two-days, and three-days of the applicable standard. The quarterly report format with the service variance for Package Services is as follows:

TABLE 19.—QUARTERLY PERFORMANCE FOR PACKAGE SERVICES SERVICE VARIANCE; SAMPLE QUARTERLY REPORT FORMAT WITH SERVICE VARIANCE FOR PACKAGE SERVICES PARCELS

	Within +1-day (percent)	Within +2-days (percent)	Within +3-days (percent)
Capital Metro Area	xx.x	xx.x	xx.x
Baltimore District	xx.x	xx.x	xx.x
Capital District	xx.x	xx.x	xx.x
Greater South Carolina District	xx.x	xx.x	xx.x
Greensboro District	xx.x	xx.x	xx.x
Mid-Carolinas District	xx.x	xx.x	xx.x
No. Virginia District	xx.x	xx.x	xx.x
Richmond District	xx.x	xx.x	xx.x

7.4.2 Annual Reporting

The Postal Service reports national measures per fiscal year for the percentage of Package Services mail delivered on time.

The Postal Service's Annual Compliance Report format for Package Services parcels is as follows:

TABLE 20.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FORMAT FOR PACKAGE SERVICES

Mail class	Target (percent)	Percent on-time
Package Services.		
Parcels	xx.x	xx.x

8 Special Services

8.1 Background

There are two categories of special services: Ancillary and stand-alone. Ancillary special services are purchased in addition to the postage applicable to First-Class Mail, Periodicals, Standard Mail, and Package Services. These optional special services are varied in nature and include Delivery Confirmation, Signature Confirmation, Certified Mail, Electronic Return Receipt, Registered Mail, Collect on Delivery, and Address Correction Service, among others. In contrast to ancillary special services, stand-alone special services are not contingent on sending or receiving a particular mail piece and include services such as P.O. Box Service, CONFIRM, and Address List Services, among others.

8.2 Delivery Confirmation, Signature Confirmation, Certified Mail, Registered Mail, Electronic Return Receipt, and Collect on Delivery

A principal feature of these special services is the electronic provision of information by the Postal Service to the sender regarding the delivery status of a particular mail piece. That information may consist of confirmation that delivery was attempted, completed, or that a copy of the recipient's signature was captured.

For a number of these services, delivery-related information is generated by postal scanning of mail pieces at delivery units or during delivery. Before the completion of daily

work shifts, postal personnel dock their portable handheld scanners, so that delivery information pertinent to each scanned mail piece can be transmitted to appropriate postal data systems. Handheld scanners allow for signatures to be captured at delivery and transmitted with the delivery information. Delivery information captured is then made available to the purchaser of the special service.

The service measurement for Delivery Confirmation, Signature Confirmation, Certified Mail, Registered Mail, electronic Return Receipt, and Collect on Delivery uses data generated from delivery event barcode scans to measure the time between when delivery information is collected and when that information is made available to the customer. When the delivery scan event is captured by the handheld scanner, a time-stamp is associated with the scan, which is the ''start-the-clock''. When the scanning device is docked, the delivery scan event information is transmitted through postal data systems to the customer-accessible Track & Confirm page at *http://www.usps.com*, the Postal Service public Web site. The posting time to the customer-accessible Web site is the ''stop-the-clock''.

8.3 CONFIRM and Address Correction

The electronic provision of information by the Postal Service to the mail piece sender is a key component for CONFIRM and automated Address Correction services as well. CONFIRM scanning of mail and identification of automated Address Correction of applicable mail pieces are each performed passively by automated mail processing equipment, which then transmits information to postal data systems. Information from these systems is made available to the purchaser of the special service.

The service measurement for both CONFIRM and automated Address Correction uses the IMb on individual mail pieces. For CONFIRM, when mail processing equipment scans a mail piece, the scan information is transmitted to the CONFIRM system in near-real time and made available to CONFIRM subscribers. The ''start-the-clock'' is the time stamp associated with the scan. The ''stop-the-clock'' is the date and time when data are made available to subscribers. For automated Address Correction customers, scans are transmitted to the Address Correction System (ACS) at preset intervals during the day and the corrected address information is forwarded to customers who subscribe to the service. The ''start-the-clock'' is the date and time when data is transmitted to ACS. The ''stop-the-clock'' is the date and time when data are forwarded to participants.

8.4 Post Office Box Service

Post Office Box service is internally measured using scanning technology to compare the availability of mail delivered to a P.O. Box section by the posted ''uptime''. The ''uptime'' is the posted time of day when customers can expect to collect the mail from their P.O. Box. A barcode in the P.O. Box section is scanned when the distribution of mail is complete.

8.5 Insurance Claims Processing

The Postal Service's Customer Inquiry Claims Response System (CICRS) is an application used to process indemnity claims when domestic insured articles are lost or damaged in the mail. For domestic claims, after the customer has submitted the appropriate claim form, Postal Service employees verify completion of the form and submit it for processing to the CICRS system. The claim is keyed into the system and the data are uploaded for processing. For claims that are not complete and that require additional information from the customer, correspondence is mailed to the customer requesting the missing information, with instructions regarding where to send the additional information. Once all information is received by CICRS, the system proceeds to the claims processing resolution phase. The date that all information is available for claims processing resolution is the ''start-the-clock''. Depending on the value of the item lost or damaged, the claim may be automatically paid or denied by the system or sent for review by a postal insurance claims adjudicator or the Postal Service Consumer Advocate. The adjudicator or Consumer Advocate decides if the claim should be paid, denied, or closed. The date on which the system, adjudicator, Consumer Advocate pays, denies, or closes the claim and transmits a response to the customer is the ''stop-the-clock''.

8.6 Postal Money Order Inquiry Processing

The Money Order Inquiry System (MOIS) is an application used to process customer inquiries regarding Postal Money Orders they have purchased. After the customer has completed PS Form 6401 and paid for the inquiry service, Postal Service employees submit the form to a centralized facility for processing. The inquiry is scanned into the system and the data are uploaded for processing. MOIS verifies whether the money order in question has been cashed by running the money order number against a database of cashed money orders. The system generates correspondence to the inquiring customer regarding the status of the money order in question. The purchase of the inquiry service is the ''start-the-clock'' event. Transmission of a response to the customer is the ''stop-the-clock'' event.

8.7 Address List Services

Address List Services are available to customers seeking correction of the addresses or ZIP Codes on their mailing lists, or the sequencing of their address cards. The Postal Service will use a system to record ''start-the-clock'' and ''stop-the-clock'' times for these services. The ''start-the-clock'' event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The ''stop-the-clock'' event is the transmission of the corrected address information from the delivery unit or district AMS office to the requestor.

8.8 Reporting

8.8.1 Quarterly Reporting

The Postal Service reports Delivery Confirmation, Signature Confirmation, Certified Mail, Registered Mail, electronic Return Receipt, and Collect on Delivery as an aggregate score on a quarterly basis by district. The service performance for these special services is aggregated, as they all use the same system to measure the time elapsed from when the delivery information is captured by the Postal Service until it is available to the customer. Post Office Box service is also reported quarterly by district.

Since CONFIRM, automated Address Correction, Insurance Claims Processing, Money Order Inquiry Processing, and Address List Services each use a national or centralized system for providing the majority if not all of each respective service, performance will be reported at a national level. The Postal Service reports quarterly on the percentage of those services that meet the service standard.

The quarterly report format for Special Services is as follows:

TABLE 21.—QUARTERLY PERFORMANCE FOR SPECIAL SERVICES; SAMPLE QUARTERLY REPORT FORMAT FOR SPECIAL SERVICES REPORTED AT THE DISTRICT LEVEL; SAMPLE QUARTERLY REPORT FORMAT FOR SPECIAL SERVICES REPORTED AT THE DISTRICT LEVEL

District	Delivery information special services combined score	Post office box service
	Percent on-time	Percent on-time
Capital Metro Area	xx.x	xx.x
Baltimore District	xx.x	xx.x
Capital District	xx.x	xx.x
Greater South Carolina District	xx.x	xx.x
Greensboro District	xx.x	xx.x
Mid-Carolinas District	xx.x	xx.x
No. Virginia District	xx.x	xx.x
Richmond District	xx.x	xx.x

The quarterly report format for CONFIRM, automated Address Correction, Insurance Claims Processing, Address List Services, and Postal Money Order Inquiry Processing is as follows:

TABLE 22.—SAMPLE QUARTERLY REPORT FORMAT FOR SPECIAL SERVICES REPORTED AT THE NATIONAL LEVEL

	CONFIRM	Address Correction	Insurance Claims Processing	Address List Services	Money Order Inquiry
	Percent on-time	Percent on-time	Percent on-time	Percent on-time	Percent on-time
National	xx.x	xx.x	xx.x	xx.x	xx.x

8.8.2 Annual Reporting

The Postal Service has developed a Special Services Index to reflect an annual combined service measurement score per fiscal year for Special Services. This index weights and aggregates various special services so that all components are reflected appropriately and still maintain distinctness. The Annual Compliance Report format for Special Services is as follows:

TABLE 23.—ANNUAL COMPLIANCE REPORT; SAMPLE ANNUAL REPORT FORMAT FOR SPECIAL SERVICES REPORTED AT THE NATIONAL LEVEL

	Target	Index
Special Services	xxxx	xxxx

9 Appendix

9.1 Service Measurement Business Rules

The business rules for service performance measurement are intended to maintain a clearly defined structure for and ensure the reliability of the measurement system. The business rules are grouped into the four subject areas below: ''Start-the-clock'', ''Stop-the-clock'', Special Services, and Inclusions.

1 ''Start-the-Clock''

Generally, if the mail arrival time is before the CET, the ''start-the-clock'' Day-0 will be the day of entry. If the day of entry is a Sunday or holiday, the ''start-the-clock'' Day-0 will be the next applicable acceptance day. If the mail arrival time is after the CET, then the mail will have a ''start-the-clock'' Day-0 of the next acceptance day for that facility. CET rules apply to mail entered at retail and through bulk induction.

As mail entry processes and systems change over time, so too will the methods by which the Postal Service will gather ''start-the-clock'' and ''stop-the-clock'' information. The following rules apply to current entry scenarios.

1.1 Mail Entered at the Business Mail Entry Unit (BMEU)

1.1.1 Customer/Supplier Agreement

Bulk mailers subject to a Customer/Supplier Agreement may have different acceptance windows than the established BMEU hours of operation. Each Customer/Supplier Agreement will specify the applicable ''start-the-clock'' Day-0 window mutually established by the mailer and the Postal Service. Mailers who require BMEU verification must work within the posted BMEU hours of operation unless alternate arrangements specified through Customer/Supplier Agreements.

1.1.2 Critical Entry Time

For mailers who deposit mail at a BMEU, the CET for specific classes of mail is determined locally by the facility manager at the Postal Service mail facility at which bulk entry will occur.

1.1.3 ''Start-the-Clock''

The ''start-the-clock'' event for mail deposited at a BMEU is either the time the mailer arrives, as documented in PostalOne!® or when mailing verification is complete, depending on the circumstances surrounding the mail entry. Mailer arrival time is recorded by postal personnel in PostalOne! upon mailer arrival at the BMEU. Mailing verification completion also is documented in the PostalOne! system.

For mailers with a Customer/Supplier Agreement in place, the ''start-the-clock'' Day-0 will be the day of entry if the mailer arrival time is prior to the latest acceptance time specified by the Customer/Supplier Agreement. The ''start-the-clock'' Day-0 for mailers that arrive after the latest acceptance time specified by their Customer/Supplier Agreement is the day of entry if

verification is completed before the facility CET; otherwise, the ''start-the-clock'' Day-0 will be the following applicable acceptance day.

For mailers without a Customer/Supplier Agreement in place, if the mailer arrival time is prior to the facility CET for the class of mail, the ''start-the-clock'' Day-0 will be the day of entry; otherwise, the ''start-the-clock'' Day-0 will be the following acceptance day.

If the mailing fails acceptance verification, the mailer will be notified and presented with the option of fixing the mailing so that it conforms to the preparation requirements associated with acceptance at the requested price categories or paying additional postage based upon the degree of preparation associated with the mail as presented. A new ''start-the-clock'' event may occur when mail that initially fails verification is finally released for processing.

A decision tree illustrating the ''start-the-clock'' Day-0 for mail deposited at a BMEU is depicted below [and identified as] Appendix Figure 1—''Start-the-Clock'' Decision Tree for mail deposited at the BMEU[.] [Appendix Figure 1 omitted for publication purposes, but can be viewed on the Commission's Web site, *http://www.prc.gov/prc-pages/daily-listing.*]

1.2 ''Start-the-Clock''

Mail Deposited at a BMEU: Mailer has Customer/Supplier Agreement; latest time of acceptance in agreement is 3 p.m.; verification start time is 4:30 p.m.; verification complete time is 5:15 p.m.; hours of Operation are 8 a.m. to 4 p.m.; and ''start-the-clock'' Day-0 is the next day of acceptance. [Decision Tree omitted for publication purposes, but can be viewed on Commission's Web site, *http://www.prc.gov/prc-pages/daily-listing.*]

1.3 Plant Load Using Postal Transportation

1.3.1 Critical Entry Time

The CET is determined locally by postal facility managers and is documented in a Customer/Supplier Agreement.

1.3.2 ''Start-the-Clock''

The ''start-the-clock'' event for a plant load mailing using postal transportation is based on the mail ready time as indicated by mailers and verified by postal personnel in PostalOne!®. Mailers document that mail was ready within the acceptance window specified in the Customer/Supplier Agreement and this is verified by postal personnel. If the ''start-the-clock'' event occurs before the latest acceptance time specified by the Customer/Supplier Agreement, the ''start-the-clock'' Day-0 will be the day of entry. If this activity occurs after the latest acceptance time, the ''start-the-clock'' Day-0 will be the following acceptance day.

If a mailer with multiple dispatch events cannot identify what is physically in each container or tray, the ''start-the-clock'' Day-0 for all mail entered within the mailing period defined in the mailer's electronic documentation will be based on the ''start-the-clock'' event of the last truck dispatched.

1.4 Plant Load Using Mailer Transportation

1.4.1 Critical Entry Time

For plant load using mailer transportation, the CET for each class is determined locally by postal facility managers.

1.4.2 ''Start-the-Clock''

For plant load using mailer transportation, the ''start-the-clock'' event will be defined in the mailer's Customer/Supplier Agreement. If the ''start-the-clock'' event occurs before the latest acceptance time specified by the Customer/Supplier Agreement, the ''start-the-clock'' Day-0 will be the day of entry. If this event occurs after the latest acceptance time, the ''start-the-clock'' Day-0 will be the following acceptance day.

1.5 Destinating Drop Shipment at Plants—Standard Letters and Flats

1.5.1 Critical Entry Time

The CET for destination-entered Standard Mail drop shipments is a nationally standardized entry time documented in the Postal Service's Mail Processing Operating Plan System (MPOPS) and made visible to the mailers.

1.5.2 ''Start-the-Clock''

The ''start-the-clock'' event is documented in FAST at the destination entry facility. For mailings that arrive at the scheduled appointment time, the ''start-the-clock'' event is the driver-reported arrival time. For mailings that arrive prior to the scheduled appointment, the ''start-the-clock'' event is either the appointment time or unload start time, whichever is earlier. For mailings that arrive after the mailer-scheduled appointment time, the ''start-the-clock'' event is the unload start time.

Mailings will be subject to the national CET. For mailings that have a ''start-the-clock'' event prior to the CET, then Day-0 is day of entry. For mailings that have a ''start-the-clock'' event after the CET, then Day-0 is the next applicable acceptance day.

When a mailer schedules multi-stop appointments to drop mail at two or more facilities using the same surface transportation vehicle and mail arrives late at a downstream facility because of a delay caused solely by the Postal Service, the following litmus test will be used to determine ''start-the-clock'' Day-0. If the multi-stop appointment schedule reflects consideration of inter-facility drive-times and designated unload times for the category of mail and is on time at the first appointment, the mailer will receive credit for on-time arrival at downstream facilities and the ''start-the-clock'' Day-0 will be the day of entry. If the mailer fails to adhere to these considerations in making multi-stop appointments, the ''start-the-clock'' Day-0 will be the next processing day.

The Postal Service encourages mailers to account for foreseeable traffic and construction delays in scheduling all drop ship appointments. Mailers who schedule the minimum time for transportation and designated unload times run a higher risk of missing appointments versus mailers who allow for traffic and construction delays.

Where available, a postal acceptance facility will use handheld scanning devices or computer terminals located on the dock to record the mailing's driver-reported arrival time. The FAST system uses these arrival times. Otherwise, manual-entered appointment data will be used to document the mailing's arrival time.

A decision tree illustrating the ''start-the-clock'' Day-0 for destinating drop shipment at plants is depicted below [.] [and identified as Appendix Figure 2—''Start-the-clock'' Decision Tree for Destinating Drop Shipment at Plants.] [Appendix Figure 2 omitted for publication purposes, but can be viewed on the Commission's Web site, *http://www.prc.gov/prc-pages/daily-listing.*]

1.6 ''Start-the-Clock''

Drop Shipment at an SCF; mail received after appointment time: FAST appointment at 12 p.m.; arrival 1 p.m.; CET is 4 p.m.; unload start time is 1:30 p.m.; and ''start-the-clock'' Day-0 is the day of entry. [Decision Tree omitted for publication, but can be viewed on the Commission's Web site, *http://www.prc.gov/prc-pages/daily-listing.*]

1.7 Destinating Drop Shipment—Periodicals

1.7.1 Critical Entry Time

The CET for destination-entered Periodicals drop shipments is determined locally by facility managers.

1.7.2 ''Start-the-Clock''

The ''start-the-clock'' rules for destination-entered Periodicals drop shipments are the same as the rules for destinating drop shipment at plants for Standard letters and flats, with one exception. For destination-entered Periodicals, if the day of entry is a Sunday or holiday, the ''start-the-clock'' Day-0 will be the day of entry.

1.8 Drop Shipment at the Delivery Unit

1.8.1 Critical Entry Time

The CET for drop shipment at a Delivery Unit is determined locally by postal facility managers, documented in the Postal Service's Facilities Database (FDB), and will be made visible to the mailers. A Customer/Supplier Agreement may be established between a bulk mailer and the Postal Service. In the case where a Customer/Supplier Agreement exists, it is the responsibility of the mailer to enter mail in compliance with the agreement.

1.8.2 ''Start-the-Clock''

The ''start-the-clock'' event at the delivery unit will be based on the container acceptance scans generated by postal personnel via the Intelligent Mail Data Acquisition System (IMDAS) scanner. When the ''start-the-clock'' event occurs at or before the CET, the ''start-the-clock'' Day-0 will be the day of acceptance. If the ''start-the-clock'' event occurs after the CET, the ''start-the-clock'' Day-0 will be the next applicable acceptance day.

2 ''Stop-the-Clock''

The ''stop-the-clock'' event for service measurement will be a scan by an external reporter or postal personnel.

2.1 Final Scan by Postal Personnel

If a mail piece meeting the requirements for service performance measurement also is subject to Delivery Confirmation service, postal personnel will scan the Delivery Confirmation barcode on the piece at delivery. The time of this scan will be the ''stop-the-clock'' for the piece. In cases where multiple acceptable ''stop-the-clock'' events take place, the first event assigned will ''stop-the-clock''. Any of the following Delivery Confirmation scans may be a ''stop-the-clock'' event: Delivery; attempted delivery; forwarded; undeliverable-as-addressed; refused; return to sender; dead mail; and arrival at pickup point.

2.2 External Reporter ''Stop-the-Clock'' Scan

When an external reporter scans a mail piece, the time of the scan will be the ''stop-the-clock'' for the external measurement contractor. Reporters are required to scan mail on the day of receipt. Quality control checks will verify process compliance.

2.3 Delivery Factor

The external measurement contractor will calculate delivery factors and apply those factors to calculate service measurement for categories of mail. The external measurement contractor will determine the delivery factor for each district on a quarterly basis. Because the following mail segments are processed differently by postal operations, the delivery factor will be distinct for the following mail segments: First-Class Mail and Standard Mail Presort Letters with DPS secondary sort scans; Standard Mail Non-Carrier Route Flats (scanned on postal mail processing equipment); Standard Mail Carrier Route Flats (including saturation flats, scanned at delivery unit); Standard Mail Letters without DPS scan; Standard Mail Saturation Flats (visually identified by external reporters); and manual mail (mail that falls out of automation or does not destinate in an automated zone).

If the delivery factor is not sufficiently precise for the mail piece characteristics over the period of a fiscal quarter, an annual factor will be used.

3 Special Services

3.1 Delivery Information Services

3.1.1 Delivery information from the following Special Services riding on market-dominant products will be included in service measurement: Delivery Confirmation, Signature Confirmation, Certified Mail, electronic Return Receipt, Collect On Delivery, and Registered Mail.

3.1.2 ''Start-the-Clock'' and ''Stop-the-Clock''

The ''start-the-clock'' is the time-stamp associated to the delivery event scan. The ''stop-the-clock'' is the posting of the delivery information for customers via the customer-accessible Web site. Delivery information services included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.2 CONFIRM and Automated Address Correction Service

3.2.1 ''Start-the-clock'' and ''Stop-the-Clock'' for CONFIRM

The time stamp associated with the mail processing equipment scan is the ''start-the-clock''. The posting time of the scan information in CONFIRM is the ''stop-the-clock''. CONFIRM scan information included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.2.2 ''Start-the-Clock'' and ''Stop-the-Clock'' for Automated Address Correction

The date and time scans are transmitted to the ACS system is the ''start-the-clock''. The date and time information is forwarded to subscribers is the ''stop-the-clock''. ACS scan information included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.2.3 Customers that choose to receive data outside of the service standard will not be included in service measurement.

3.3 Post Office Box Service

3.3.1 Post Office Box service is internally measured using scanning technology to compare the actual availability of the day's mail delivered to a P.O. Box section to the posted ''uptime''. If there is no daily scan from an office, the P.O. Box uptime for that office on that day will be considered late for service measurement.

3.3.2 Contract postal units will not be included in service measurement.

3.3.3 Sundays, postal holidays and other non-delivery days will not be counted in measuring service standard compliance.

3.4 Insurance Claims Processing

3.4.1 ''Start-the-Clock'' and ''Stop-the-Clock''

The date that all information is available for claims processing resolution is the ''start-the-clock''. The date on which either the system or the adjudicator pays, denies, or closes the claim and sends a response for the customer is the ''stop-the-clock''. Insurance claims included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.4.2 Designated postal holidays will not be counted in measuring service standard compliance.

3.5 Postal Money Order Inquiry Processing

3.5.1 ''Start-the-Clock'' and ''Stop-the-Clock''

The purchase of the inquiry service is the ''start-the-clock'' event. The response to the customer in the Money Order Inquiry System (MOIS) is the ''stop-the-clock'' event. Money Order Inquiries included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.5.2 Money Order Inquiries with a start-the-clock date prior to the Money Order issue date will not be included in service measurement.

3.5.3 Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

3.5.4 Only fee-based Money Order Inquiries will be included in service measurement.

3.6 Address List Service

3.6.1 ''Start-the-Clock'' and ''Stop-the-Clock''

The ''start-the-clock'' event is the receipt of the address list or address cards from the mailer at the delivery unit or the postal district Address Management Systems office. The ''stop-the-clock'' event is the transmission of the corrected address information from the district AMS office to the requestor. Address List Service requests included in service measurement must have both a recorded ''start-the-clock'' and ''stop-the-clock''.

3.6.2 Saturdays, Sundays, designated postal holidays, and other non-delivery days will not be counted in measuring service standard compliance.

3.6.3 Requests received between November 16 and January 1 will not be included in service measurement.[19]

4 Inclusions

For purposes of measuring end-to-end market-dominant bulk mail service quality, only mail that is verified by the Postal Service as satisfying mail preparation requirements associated with applicable price categories, and complies with requirements of the Full Service Intelligent Mail® option, will be included in service measurement. Manual Mailing Evaluation Readability Lookup Instrument (MERLIN) and automated verification results are methods used to verify the mail.

4.1 Mailing Level Validation

When a bulk mailing does not pass a particular mail preparation criterion in the verification process, no pieces from that mailing will be included in service measurement (unless ''Next Day'' Day-0 can be applied). When a mailing fails verification, the mailing will not be included in service measurement until the mailer fixes the problem or pays additional postage. After the mailer fixes the problem, the mailing will be included in service measurement, although a new ''start-the-clock'' Day-0 may apply. If additional postage is needed, the mailer may have to submit additional information in order for the mailing to be included in service measurement.

4.2 Appointment Level Validation

Containers associated with an appointment with one of the irregularities identified below will not be included in service measurement.

1. Incorrect Entry Facility; and

2. Damaged Mail.

4.3 Container Level Validation

All pieces inducted at the correct destination facility based on container preparation and that can be associated with an appointment will not be included in service measurement per the scenarios below.

4.3.1 *Scenario 1.* Container inducted at the correct destination facility based on container preparation, but not included on any appointment: Pieces associated with that container will not be included in service measurement.

4.3.2 *Scenario 2.* Container inducted at wrong destination facility based on container preparation, but not included on any appointment: Pieces associated with that container will not be included in service measurement.

4.4 Piece Level Validation

Mail pieces identified with mail preparation quality issues by the automated verification system will not be included in service measurement. Piece level validations include: Barcode uniqueness; barcode quality; un-manifested mail piece; address validity; address hygiene (per Postal Service Publication 28); and presort accuracy.

4.5 Parcel Validation

Parcels destined for unique or 100 percent business 5-digit ZIP Codes will not be included in service measurement.

4.6 Mailer Documentation Validation

Automated validations will be conducted to ensure the integrity of the electronic documentation submitted by mailers and that it accurately reflects the mail preparation requirements, price eligibility and other physical characteristics of the mail to which it pertains.

4.7 ZIP Codes

All active 3-digit ZIP Codes are included in Service Measurement, with the following exceptions:

4.7.1 090–098, 340, and 962–966 are all APO/FPO (military) ZIP Codes and fall outside of the capability of this measurement system. The mail is processed in a manner that will not produce a final automation scan that can serve as a reasonable proxy for delivery.

4.7.2 Mail destinating to 202–205, which are the Federal Agency ZIP Code ranges in Washington, DC. All of this mail continues to be processed through a complex process of treatment and surveillance prior to delivery. There is no reliable means to measure actual service performance.

4.7.3 005, 192, 375, 399, 459, 649, 733, 842 and 938 are unique 3-digit ZIP Codes for IRS Processing Centers. Due to the unique processing and flow of this mail, there is no means to provide service measurement.

4.7.4 For purposes of service measurement, the origin for mail from Alaska, Hawaii, Guam, Puerto Rico and the U.S. Virgin Islands is the 3-digit ZIP Code area in which the interstate/interterritorial gateway processing facility for each state or territory is located. The destination for mail to Alaska, Hawaii, Guam, Puerto Rico and the U.S. Virgin Islands is the 3-digit ZIP Code area in which the interstate/interterritorial gateway mail processing facility for each state or territory is located.

4.7.5 509, 555, 821, 872, 885, 889, 901, and 942 are unique 3-digit ZIP Codes for either large businesses or government agencies. Due to the unique processing and flow of this mail, there is no means to provide service measurement. 569 is a unique 3-digit ZIP Code that is used only for a competitive product.

9.2 Implementation Status (June 2008)

The Postal Service will use a phased rollout of the service performance measurement system, which will correspond with Full Service Intelligent Mail® Option adoption. A significant adoption of IMb's by Full Service mailers is expected after May 2009, when IMb-based price incentives are expected to take effect, with progressively higher levels of adoption thereafter. As more and varied mailers adopt Full Service IMb's, the data available for service performance measurement will become even more

[19] The exclusion of the Nov 16–Jan 1 time frame for Address List Services performance measurement conforms to the service standard for this product published at 39 CFR 122.2(b). *See* 72 **Federal Register** 72231 (December 19, 2007). As explained at 72 FR 58963 (October 17, 2007), the surge of holiday mail volume places an extraordinary demand on Postal Service personnel ordinarily responsible for fulfilling Address List Services requests, making it very difficult for them to fulfill such requests during this time frame.

robust and representative of the full population.[20]

Some components of the measurement system are already in place. The Postal Service will continue to use EXFC to measure single-piece First-Class Mail letters and flats, as well as IMMS to measure single-piece First-Class Mail International letters. EXFC and IMMS are specifically designed to be representative of those mailstreams and already provide an external, statistically valid performance measurement. Measurement is also available for Package Services parcels entered at retail.[21] The existing Delivery Confirmation performance reports for mail originating at postal retail facilities can be used in the short-term to measure the service performance of all Package Services.

Although use of the IMb will not be required on all automation mail until May 2010, several mailers have already adopted the IMb and submit electronic documentation. Pilot programs are currently underway for measurement of Presort First-Class Mail and Standard Mail. Mailer adoption rates are expected to continue growing since the lowest automation price, Full-Service IMb, is expected to be implemented in May 2009.

Toward the end of FY2008, selected external reporters will be trained to use a new scanning device for in-home delivery reporting of all mail received that contains an IMb. In FY2009, IMb and electronic mailing information adoption will occur in sufficient quantity that measurement based on scans generated by external reporters will provide statistically valid measurements for service performance of Presort First-Class Mail letters and Standard Mail.

For Periodicals mailers, adoption of IMb's and electronic mailing information is projected to be slower. Measurements from DelTrak and Red Tag, which are two external measurement systems, will be used during FY2009 as the Postal Service transitions to a statistically viable long-term solution using the same methodology explained above.

The following table provides an illustration of the measurement timeline that the Postal Service will implement while long-term measures are being developed and adopted.

TABLE 23.—MEASUREMENT IMPLEMENTATION TIMELINE

	FY2009	FY2010
First-Class Mail Single-Piece Letters and Flats	EXFC	EXFC.
First-Class Mail Presort Flats and Single-Piece International Mail Flats.	EXFC as Proxy	EXFC as Proxy.
Single-Piece First-Class Mail International Letters.	IMMS	IMMS.
First-Class Mail Presort Letters	Pilot and Reporter + IMb/Electronic Mailing Information.	Reporter + IMb/ Electronic Mailing Information.
First-Class Mail Parcels and International Mail Parcels [1].	Retail and Presort Delivery Confirmation	Retail and Presort Delivery Confirmation.
Standard Mail Letters and Flats	Pilot and Reporter + IMb/Electronic Mailing Information.	Reporter + IMb/ Electronic Mailing Information.
Standard Mail Parcels [2]	Delivery Confirmation	Delivery Confirmation.
Periodicals Letters and Flats	Red Tag/DelTrak	Reporter + IMb/ Electronic Mailing Information.[3]
Package Services Parcels (includes Bound Printed Matter, Library Mail, Media Mail and Parcel Post).	Retail and Presort Delivery Confirmation	Retail and Presort Delivery Confirmation.
Special Services	Internal Measurement	Internal Measurement.

[1] First-Class Mail parcels will be rolled into the First-Class Mail measurement based on percent of mail.
[2] Standard Mail parcels will be rolled into the Standard Mail measurement based on percent of mail.
[3] The Postal Service may elect to have its external provider use data from DelTrak or Red Tag even in future years, if it proves to increase the overall robustness of the data and the statistical validity.

9.3 Modern Service Standards for Market Dominant Products

The following tables are provided as a reference for the modern service standards.

TABLE 24.—DOMESTIC ORIGIN ENTRY MAIL

Mail class	End-to-end flow range (days) [1]
First-Class Mail	1–3
Periodicals	1–9
Standard Mail	3–10
Package Services	2–8

[1] *See* 72 FR 72216 (December 19, 2007) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.

[20] Excluding Periodicals Mail.

[21] Under Order No. 43, the PRC has classified inbound single-piece surface parcels tendered at Universal Postal Union inward land rates as a market-dominant product. This mail includes parcels, which enter the United States via surface transportation at the New Jersey International Bulk Mail Center, as well as surface airlift parcels, which enter at the five International Service Centers in Miami, Chicago, Los Angeles, New York JFK, and San Francisco. Once parcels clear U.S. Customs, they are transferred from the acceptance facility to a Bulk Mail Center (BMC). Once entered into the BMC network, inbound surface parcels undergo the same processing as domestic single-piece Package Services parcels. Because the volume of the inbound surface parcels is small in proportion to other market-dominant categories, creating a separate measurement system for these parcels is not cost-justified. Given that inbound surface parcels are handled through the domestic BMC network, the Postal Service will use the service performance measurement statistics for corresponding domestic parcels as a reasonable proxy for International Mail inbound surface parcels (at UPU rates).

TABLE 25.—DOMESTIC DESTINATION ENTRY MAIL [1]

Mail Class	End-to-end flow range (days) [1]			
	DDU (days)	SCF (days)	ADC (days)	BMC (days)
Periodicals	1	1	1–2	1–2 [2]
Standard Mail	2	3	.....	5
Package Services	1	2	.....	3

[1] *See* 72 FR 72216 (December 19, 2007) for Alaska, Hawaii, Puerto Rico, Guam, and U.S. Virgin Islands.
[2] Only applies to Periodicals receiving the DBMC Container rate.

TABLE 26.—SPECIAL SERVICES

Delivery Information Services:	
Delivery Confirmation.	Availability of delivery information within 24 hours.
Signature Confirmation	
Certified Mail	
Registered Mail [1]	
Collect on Delivery	
Electronic Return Request	
CONFIRM	Availability of scan information within 24 hours.
Address Correction Service (automated.	Availability of address information within 24 hours.
P.O. Box Service ...	Mail delivered by posted P.O. Box uptime.
Insurance Claims Processing.	Claims processing within 30 calendar days.
Money Order Inquiry.	Customer response within 15 business days.
Address List Services.	Information within 15 business days.

[1] Registered Mail includes domestic mail and inbound international mail.

III. Trademarks

The following are among the trademarks owned by the United States Postal Service: Certified Mail™, Click-N-Ship®, CONFIRM®, Delivery Confirmation™, '1DMM®, Express Mail®, FAST*forward*®, First-Class Mail®, Intelligent Mail®, MERLIN™, P.O. Box™, Parcel Post®, Parcel Select®, PC Postage®, PLANET®, PLANET Code®, Post Office™, *PostalOne!*®, Postal Service™, Priority Mail®, Registered Mail™, Signature Confirmation™, Standard Mail®, United States Postal Service®, U.S. Mail™, U.S. Postal Service®, USPS®, USPS *http://www.usps.com*®, ZIP+4®, and ZIP Code™. This is not a comprehensive list of all Postal Service trademarks.

IV. Ordering Paragraphs

It is Ordered:

1. Interested persons may submit written comments on any or all aspects of the Postal Service's proposed service performance measurement systems and reporting systems by no later than July 9, 2008.

2. The Secretary shall arrange for publication of this notice in the **Federal Register**.

By the Commission.

Steven W. Williams,

Secretary.

[FR Doc. E8–14396 Filed 6–24–08; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–57987; File No. S7–966]

Program for Allocation of Regulatory Responsibilities Pursuant to Rule 17d–2; Notice of Filing and Order Approving and Declaring Effective an Amendment to the Plan for the Allocation of Regulatory Responsibilities Among the American Stock Exchange, LLC, the Boston Stock Exchange, Inc., the Chicago Board Options Exchange, Incorporated, the International Securities Exchange, LLC, Financial Industry Regulatory Authority, Inc., the New York Stock Exchange, LLC, the NYSE Arca, Inc., The NASDAQ Stock Market, LLC, and the Philadelphia Stock Exchange, Inc

June 18, 2008.

Notice is hereby given that the Securities and Exchange Commission (''Commission'') has issued an Order, pursuant to Section 17(d) of the Securities Exchange Act of 1934 (''Act''),[1] approving and declaring effective an amendment to the plan for allocating regulatory responsibility filed pursuant to Rule 17d–2 of the Act,[2] by the American Stock Exchange, LLC (''Amex''), the Boston Stock Exchange, Inc. (''BSE''), the Chicago Board Options Exchange, Incorporated (''CBOE''), the International Securities Exchange, (''ISE''), Financial Industry Regulatory Authority, Inc. (''FINRA''), The NASDAQ Stock Market LLC (''NASDAQ''), the New York Stock Exchange LLC (''NYSE''), NYSE Arca, Inc. (''NYSE Arca''), and the Philadelphia Stock Exchange, Inc. (''Phlx'') (collectively, ''SRO participants'').

I. Introduction

Section 19(g)(1) of the Act,[3] among other things, requires every self-regulatory organization (''SRO'') registered as either a national securities exchange or national securities association to examine for, and enforce compliance by, its members and persons associated with its members with the Act, the rules and regulations thereunder, and the SRO's own rules, unless the SRO is relieved of this responsibility pursuant to Section 17(d)[4] or Section 19(g)(2)[5] of the Act. Without this relief, the statutory obligation of each individual SRO could result in a pattern of multiple examinations of broker-dealers that maintain memberships in more than one SRO (''common members''). Such regulatory duplication would add unnecessary expenses for common members and their SROs.

Section 17(d)(1) of the Act[6] was intended, in part, to eliminate unnecessary multiple examinations and regulatory duplication.[7] With respect to a common member, Section 17(d)(1) authorizes the Commission, by rule or order, to relieve an SRO of the responsibility to receive regulatory reports, to examine for and enforce compliance with applicable statutes, rules, and regulations, or to perform other specified regulatory functions.

To implement Section 17(d)(1), the Commission adopted two rules: Rule 17d–1 and Rule 17d–2 under the Act.[8] Rule 17d–1 authorizes the Commission

[1] 15 U.S.C. 78q(d).
[2] 17 CFR 240.17d–2.
[3] 15 U.S.C. 78s(g)(1).
[4] 15 U.S.C. 78q(d).
[5] 15 U.S.C. 78s(g)(2).
[6] 15 U.S.C. 78q(d)(1).
[7] *See* Securities Act Amendments of 1975, Report of the Senate Committee on Banking, Housing, and Urban Affairs to Accompany S. 249, S. Rep. No. 94–75, 94th Cong., 1st Session 32 (1975).
[8] 17 CFR 240.17d–1 and 17 CFR 240.17d–2, respectively.