



September 30, 2014

Louis M. Atkins
President
National Association of Postal
Supervisors
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One Beltway Center
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Alexandria, VA 22303-1864

Gentlemen:

A handwritten signature in cursive script, appearing to read "John", written over the word "Gentlemen:".

This is in reference to our ongoing consultation concerning development of FY2015 National Performance Assessment (NPA) indicators in the Pay-for-Performance (PFP) Program.

The Postal Service has determined, following consultation with you, that the enclosed FY2015 NPA unit indicators and related information constitute the Postal Service's decision for FY2015 NPA unit indicators.

Further, in reference also to our September 12 correspondence concerning development of FY2015 corporate NPA indicators, the enclosed material addressing FY2015 NPA corporate indicators constitutes the Postal Service's proposal to the Board of Governors (BOG). We intend to process this material as outlined in the agreement delineated in our September 12 correspondence.

Sincerely,

A handwritten signature in cursive script, reading "John Cavallo", written over the typed name and title.

John Cavallo
Manager
Labor Relations Policy Administration

enclosures

**FY 2015 CORPORATE INDICATORS
TARGETS and THRESHOLDS
(Awaiting Final Board of Governors Approval)**

INDICATORS	CORPORATE WEIGHTS															
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Priority Mail Composite	15.0%	89.00	90.66	92.31	93.14	93.97	94.80	95.41	96.02	96.63	96.93	97.24	97.54	97.70	97.85	98.00
2 First-Class Composite	5.0%	92.00	93.14	94.29	94.86	95.43	96.00	96.38	96.76	97.14	97.33	97.52	97.71	97.81	97.90	98.00
3 Parcel Select	5.0%	98.40	98.71	99.03	99.19	99.34	99.50	99.50	99.69	99.79	99.83	99.88	99.93	99.95	99.98	100.00
4 Standard Composite	5.0%	85.00	86.70	88.40	89.30	90.10	91.00	92.10	93.30	94.40	95.00	95.60	96.10	96.40	96.70	97.00
5 Composite Scan Performance	10.0%	95.00	95.57	96.14	96.43	96.71	97.00	97.38	97.76	98.14	98.33	98.52	98.71	98.81	98.90	99.00
6 OSHA Illness & Injury Rate	7.5%	6.62	6.19	5.75	5.53	5.32	5.10	4.86	4.62	4.38	4.26	4.14	4.02	3.96	3.90	3.84
OSHA I&I Improvement		9.00	6.00	3.00	1.90	0.90	-1.00	-2.30	-4.60	-8.20	-11.20	-14.20	-17.20	-20.20	-23.20	-25.00
7 VOE Survey Index	7.5%	43.95	49.99	56.04	59.06	62.08	65.10	68.25	71.40	74.56	76.13	77.71	79.29	80.07	80.86	81.65
VOE Survey Index %Baseline		-2.0	-1.5	-1.0	-0.5	0.0	0.2	0.8	1.6	2.3	3.1	3.9	4.7	5.4	6.2	7.0
8 **Operating Income	20.0%	Plan														
9 **Total Deliveries Per Hour	10.0%	Plan														
10 **Total Revenue FPR % Plan	10.0%	Plan														
11 Customer Insights Measurement	5.0%	Target is 82.50, Thresholds are Pending														
12 **EEO Complaints Per 100 Employees vs SPLY	0.0%	1.70	1.50	1.30	1.20	1.10	1.00	0.90	0.85	0.80	0.65	0.60	0.45	0.30	0.25	0.20

*Measured - Not Weighted
**Target will be established when the Integrated Financial Plan is finalized

BENCHMARK

FY 2015 Unit Indicators Targets and Thresholds

INDICATORS															
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1 Available for Duty - IMPROVEMENT	95.03	95.59	96.16	96.44	96.72	97.00	97.57	98.14	98.71	99.00	99.29	99.57	99.71	99.86	100.00
2 Deliveries per Hour % SPLY	-2.00	-1.43	-0.86	-0.57	-0.29	0.00	0.38	0.76	1.14	1.33	1.52	1.71	1.81	1.90	2.00
3 EEO Complaints Per 100 Employees vs SPLY	-8.25	-4.95	-1.64	0.01	1.67	3.32	4.97	6.63	8.28	9.11	9.93	10.76	11.17	11.59	12.00
Grievance Backlog Reduction - Case Pending	1.70	1.50	1.30	1.20	1.10	1.00	0.90	0.85	0.80	0.65	0.60	0.45	0.30	0.25	0.20
Grievance Backlog Reduction - Step 2 + A	0.00	-0.50	-1.00	-1.50	-2.00	-2.50	-3.25	-4.00	-5.25	-6.00	-6.50	-6.75	-7.00	-7.50	-8.00
Grievance Backlog Reduction - Step 3 + B	0.00	-1.00	-2.00	-5.00	-12.00	-25.00	-26.00	-28.00	-29.00	-33.00	-34.00	-36.00	-40.00	-45.00	-50.00
Grievance Backlog Reduction - Cost Reduction	0.00	-5.00	-10.00	-20.00	-35.00	-50.00	-60.00	-65.00	-70.00	-75.00	-77.00	-80.00	-85.00	-95.00	-100.00
MVA - RATE	0.00	-1.00	-2.00	-3.00	-5.00	-10.00	-12.00	-14.00	-16.00	-18.00	-20.00	-22.00	-24.00	-26.00	-28.00
MVA - IMPROVEMENT	14.05	13.07	12.08	11.09	10.10	9.11	8.12	7.13	6.14	5.15	4.17	3.18	2.19	1.20	0.21
Total Operating Expense	12.00	9.60	7.20	4.80	2.40	0.00	-4.00	-8.00	-12.00	-16.00	-20.00	-24.00	-28.00	-32.00	-36.00
Total Revenue FPR % Plan	1.0	0.7	0.4	0.3	0.1	0.0	-0.5	-1.0	-1.4	-1.7	-1.9	-2.1	-2.3	-2.4	-2.5
Total Transportation Budget	-8.00	-6.00	-4.00	-2.00	-1.00	0.00	1.00	2.00	3.00	5.00	7.00	9.00	12.00	15.00	18.00
Total Workhours to Plan	1.7	1.3	0.9	0.5	0.1	0.0	-0.1	-0.5	-0.9	-1.3	-1.7	-2.3	-3.0	-3.5	-4.0
Trips on Time / 24 Hr Clock 4-9am	1.0	0.7	0.4	0.3	0.1	0.0	-0.5	-1.0	-1.4	-1.7	-1.9	-2.1	-2.3	-2.4	-2.5
Workers Compensation Reduction	50.0	60.9	71.7	77.1	82.6	88.0	90.1	92.2	94.3	95.3	96.4	97.4	98.0	98.5	99.0
	15.00	9.86	4.71	2.14	-0.43	-3.00	-5.29	-7.57	-9.86	-11.00	-12.14	-13.29	-13.86	-14.43	-15.00

FY 2015 Unit Indicators Weights and Depths

SCORECARDS	Area BSN Specialist		Area Consumer & Industry Contact Mgr		Area DNO		Area DPS		Area Finance		Area HR		Area Maintenance	
	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth
1 Available for Duty														
2 City Deliveries per Hour % SPLY							30.0%	Area						
3 EEO Complaints Per 100 Employees vs SPLY											15.0%	Area		
4 Grievance Backlog and Cost Reduction											17.5%	Area		
5 MVA Rate											20.0%	Area		
6 Total Operating Expense					40.0%	Area					25.0%	Area	30.0%	Area
7 Total Revenue FPR % Plan	100.0%	Area	100.0%	Area					25.0%	Area				
8 Total Transportation Budget														
9 Total Workhours to Plan														
10 Trips on Time / 24 Hr Clock 4-9am							10.0%	Area						
11 Workers Compensation Reduction	100%		100%		100%		100%		100.0%		7.5%	Area	100.0%	

FY 2015 Unit Indicators Weights and Depths

SCORECARDS	Area Marketing		Area MIPS		Area MOS		Area Retail		Area Sm Bus and Mail Accept		Area VP		Sales (Area)		District		District BIMEU		
	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	
1 Available for Duty					10.0%	Area					15.0%	Area			15.0%	Dist			
2 City Deliveries per Hour % SPLY					10.0%	Area													
3 EEO Complaints Per 100 Employees vs SPLY																			
4 Grievance Backlog and Cost Reduction																			
5 MVA Rate											15.0%	Area			15.0%	Dist			
6 Total Operating Expense			35.0%	Area	30.0%	Area	30.0%	Area			30.0%	Area			30.0%	Dist	35.0%	Dist	
7 Total Revenue FPR % Plan	100.0%	Area			20.0%	Area	70.0%	Area	100.0%	National	30.0%	Area			30.0%	Dist	35.0%	Dist	
8 Total Transportation Budget			20.0%	Area	10.0%	Area													
9 Total Workhours to Plan			25.0%	Area	10.0%	Area												30.0%	Dist
10 Trips on Time / 24 Hr Clock 4-9am			20.0%	Area	10.0%	Area					10.0%	Area			10.0%	Dist			
11 Workers Compensation Reduction	100.0%		100%		100%		100%		100%		10.0%	Area			10.0%	Dist	100%		

FY 2015 Unit Indicators Weights and Depths

SCORECARDS	District BSN Resp		District Consumer & Industry Contact Mgr		District Finance		District HR		District Leadership		District Marketing		District MOPS		District Retail		Sales (District)		MPCO	
	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth		
1 Available for Duty					25.0%	Dist	15.0%	Dist	15.0%	Dist									5.0%	PO GP
2 City Deliveries per Hour % SPLY													30.0%	Dist					10.0%	PO GP
3 EEO Complaints Per 100 Employees vs SPLY					20.0%	Dist	20.0%	Dist												
4 Grievance Backlog and Cost Reduction					17.5%	Dist														
5 MVA Rate									15.0%	Dist										
6 Total Operating Expense					50.0%	Dist			20.0%	Dist			40.0%	Dist					10.0%	PO GP
7 Total Revenue FPR % Plan	100.0%	Dist	100.0%	Dist	25.0%	Dist			30.0%	Dist			28.0%	Dist					30.0%	PO GP
8 Total Transportation Budget									30.0%	Dist			100.0%	Dist					80.0%	Dist
9 Total Workhours to Plan														30.0%	Dist					
10 Tips on Time / 24 Hr Clock 4-9am																			15.0%	PO GP
11 Workers Compensation Reduction	100%		100%		100%		100%		100%				100%						100%	

FY 2015 Unit Indicators Weights and Depths

SCORECARDS	PCES Post Offices		EAS 26-21 PO		EAS 20-18 PO		EAS A-E PO		Manager CIS Ops		Mgr CIS D&R EAS 22 + above		Mgr CIS D&R EAS 21 + below		Mgr CIS Del EAS 22 + above	
	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2016 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth
1 Available for Duty	10.0%	Lead Fin#	10.0%	Lead Fin#					10.0%	Lead Fin#	5.0%	Lead Fin#			5.0%	Lead Fin#
2 City Deliveries per Hour % SPLY	10.0%	Lead Fin#	10.0%	Lead Fin#	10.0%	Lead Fin#					15.0%	Lead Fin #	15.0%	Lead Fin #	15.0%	Lead Fin #
3 EEO Complaints Per 100 Employees vs SPLY																
4 Grievance Backlog and Cost Reduction																
5 MVA Rate	10.0%	Lead Fin#	10.0%	Lead Fin#	10.0%	Lead Fin#					10.0%	Lead Fin#	10.0%	Lead Fin #	10.0%	Lead Fin#
6 Total Operating Expense	35.0%	Lead Fin#							35.0%	Lead Fin#	35.0%	Lead Fin#			35.0%	Lead Fin#
7 Total Revenue FPR % Plan	35.0%	Dist	35.0%	Dist	40.0%	Dist	50.0%	Dist	35.0%	Dist	25.0%	Dist	35.0%	Dist	25.0%	Dist
8 Total Transportation Budget																
9 Total Workhours to Plan			35.0%	Lead Fin#	40.0%	Lead Fin#	50.0%	Lead Fin#	20.0%	Lead Fin#	10.0%	Lead Fin #	40.0%	Lead Fin #	10.0%	Lead Fin #
10 Trips on Time / 24 Hr Clock 4-9am																
11 Workers Compensation Reduction	100%		100%		100%		100%		100%		100%		100%		100%	

FY 2015 Unit Indicators Weights and Depths

SCORECARDS	Mar CIS Del EAS 21 + below		Mar CIS Retail EAS 22 + above		Mar CIS Retail EAS 21 + below		PCES PAD		PAD/CIF EAS		Plant KIRPS		Plant TAVS		Plant MANT		MDO	
	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth
1 Available for Duty							10.0%	Lead Fin #	10.0%	Lead Fin #	10.0%	Lead Fin #			20.0%	Lead Fin #	20.0%	Lead Fin #
2 City Deliveries per Hour % SPLY	15.0%	Lead Fin #																
3 EEO Complaints Per 100 Employees vs SPLY							5.0%	Lead Fin #	5.0%	Lead Fin #								
4 Grievance Backlog and Cost Reduction							5.0%	Lead Fin #	5.0%	Lead Fin #								
5 MVA Rate	10.0%	Lead Fin #																
6 Total Operating Expense							20.0%	Lead Fin #	20.0%	Lead Fin #	30.0%	Lead Fin #	30.0%	Lead Fin #	30.0%	Lead Fin #	30.0%	Lead Fin #
7 Total Revenue FPR % Plan	35.0%	Dist.			50.0%	Dist.												
8 Total Transportation Budget							19.0%	Lead Fin #	15.0%	Lead Fin #	15.0%	Lead Fin #	50.0%	Lead Fin #				
9 Total Workhours to Plan	40.0%	Lead Fin #			50.0%	Lead Fin #	25.0%	Lead Fin #	25.0%	Lead Fin #	25.0%	Lead Fin #			30.0%	Lead Fin #	25.0%	Lead Fin #
10 Trips on Time / 24 Hr Clock 4-9am							20.0%	Lead Fin #	20.0%	Lead Fin #	20.0%	Lead Fin #			20.0%	Lead Fin #	25.0%	Lead Fin #
11 Workers Compensation Reduction	100%				100%		100%		100%		100%				100%		100%	

FY 2015 Unit Indicators Weights and Depths

SCORECARDS		ISC		L&DC		NDC		SFC (HASP)	
Unit Indicators		FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth	FY2015 Weight	FY2015 Depth
1	Available for Duty	10.0%	Fin #	10.0%	Fin#	10.0%	Fin #		
2	City Deliveries per Hour % SPLY								
3	EEO Complaints Per 100 Employees vs SPLY					5.0%	Fin #		
4	Grievance Backlog and Cost Reduction								
5	MVA Rate								
6	Total Operating Expense	50.0%	Fin #	30.0%	Fin#	30.0%	Area/Dist	30.0%	Fin#
7	Total Revenue FPR % Plan								
8	Total Transportation Budget			15.0%	Fin#	30.0%	Fin #	30.0%	Fin#
9	Total Workhours to Plan	30.0%	Fin #	20.0%	Fin#	20.0%	Fin #	20.0%	Fin#
10	Trips on Time / 24 Hr Clock 4-8am	10.0%	Fin #	25.0%	Fin#			20.0%	Fin#
11	Workers Compensation Reduction	100%		100%		100%		100%	

NPA FY2015 Summary of Changes

NPA CORPORATE INDICATORS

Corporate Indicator Changes – (awaiting Final Board of Governors Approval)

Corporate Indicator – NEW

Customer Insights Measurement (CIM) provides a critical, comprehensive measurement of how the USPS serves our customers. The weight will be 5%.

Weights

First-Class Composite – weight decreased – 10% to 5%



FY 2014 CORPORATE INDICATORS				PROPOSED FY 2015 CORPORATE INDICATORS		
	Goal	Achieved *	Weight		Goal	Weight
First-Class Composite	95.00	93.86	10%	First-Class Composite	95.00	5%
Priority Mail Composite	94.80	88.96	15%	Priority Mail Composite	94.80	15%
Parcel Select	99.50	99.45	5%	Parcel Select	99.50	5%
Standard Composite	91.00	89.50	5%	Standard Composite	91.00	5%
Composite Scan Performance	97.00	95.84	10%	Composite Scan Performance	97.00	10%
OSHA ISI	5.10	6.30	7.5%	OSHA ISI	5.10	7.5%
VOE Survey	65.10	64.95	7.5%	VOE Survey	65.10	7.5%
Operating Income	\$1.10B	\$1.05B	20%	Operating Income	Plan	20%
Total Deliveries per Hour	43.3	41.8	10%	Total Deliveries per Hour	Plan	10%
Total Revenue FPR % Plan	0.00%	-0.14%	10%	Total Revenue FPR % Plan	Plan	10%
				Customer Insights (CI)	82.50	5%

* Year to date achievement through Qtr 3, FY 2014

Pre-Decisional Draft

NPA UNIT INDICATORS

Deletions

Indicators (28)

City Delivery Variance	International PMI/Scanning	Retail Alternate Access % Revenue
Delcon Retail Surface Parcels	International UNEX Composite	Retail Revenue % Plan
Energy Reduction	Overtime Grievance Cost Reduction	Small Container Density
Enroute Origin/Destinating Scanning	Pay Adjustments (formerly TACS)	SOX Index
F4 Customer Service Variance (CSV)	PEG 2.0	Statistical Programs
Fed Ex Density	Percent FSS	Surface Visibility
First Enroute Scan to Delivery	Pieces At Risk	Trailer Utilization
Function 2A to Standard	PPO – Security VOE	Wait-Time-in-Line
International EXFC Composite	Primary CT OGP Cleared by 2300	
International EMS/Scanning	Priority Mail Air/Surface	

Scorecards (3)

District Manager, Financial Programs Compliance (MFPC)
EAS 16-11 PO
PPO

Name Changes

Indicator Names (2)

City Deliveries per Hour %SPLY
Grievance Backlog and Cost Reduction