Overview
Since 1990, the Postal Service™ has contracted with a third party vendor to measure First-Class Mail® service performance independently and objectively via the External First-Class Mail® measurement system (EXFC). EXFC is an external sampling system measuring the time it takes from deposit of mail into a collection box or lobby chute until its delivery to a home or business. EXFC measures the transit time for single-piece rate First-Class™ cards, letters, and flat envelopes and compares this actual service against service standards. EXFC continuously tests service in 892 three-digit ZIP Code™ areas among which virtually all Single-Piece First-Class Mail® originates and destines.

Service performance for Single-Piece First-Class Mail® parcels has been combined with EXFC performance to formulate these combined Single-Piece First-Class Mail® results. Single-Piece First-Class Mail® parcel service is measured using an internal USPS® system. This system measures transit time from the time of mailing at a Post Office™ until the time of delivery for parcels for which a customer requested USPS Tracking™ service. Actual transit time is then compared against First-Class Mail® service standards.

Performance Highlights
On January 5, the Postal Service™ implemented Phase 2 of its plan to rationalize the processing network. This change revised the service standards for Single-Piece First-Class Mail® to eliminate the Overnight service standard which had previously been applied to pieces originating and destinating within the same Sectional Center Facility area. Starting January 5, 2015, Single-Piece First-Class Mail® has a service standard between two and five days, with the majority falling into either two or three days.

Results shown for Overnight service for Q2 reflect only pieces mailed prior to January 5, thus having limited representation of the quarter. The national score for Two-Day service was down 3.3 points from Q2 FY2014, and the Three-to-Five-Day score was down 21 points. Across all service standards, at least 98 percent of mail was delivered within the service standard plus three days. A large number of winter storms disrupted service throughout the quarter, particularly for mail requiring air transportation. Additionally, the mail processing operational window change that was made as part of the Network Rationalization plan was one of the most significant operational changes since automation implementation. These changes impacted the schedules for nearly all processing and transportation activities nationwide. The Postal Service is focused on stabilizing operations by aligning the right resources to activities under the new operating plan to meet both service performance targets and cost savings objectives.
<table>
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<tr>
<th>District</th>
<th>Overnight* Percent On Time</th>
<th>Two-Day* Percent On Time</th>
<th>Three-To-Five-Day Percent On Time</th>
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Service Measurement performed and calculated by IBM Corporation
Quarter II
FY2015

Overnight* Two-Day* Three-To-Five-Day
Percent On Time Percent On Time Percent On Time

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*The Overnight Service Standard for single-piece First-Class Mail was eliminated on January 5, 2015; at that time, Overnight links moved predominantly to Two-Day service. Overnight and Two-Day performance in FY2015 Q2 and beyond cannot be directly compared to previous quarters. A modified weighting approach for calculating performance was used to account for the service standard changes in FY15 Q2.

Service Measurement performed and calculated by IBM Corporation