MTAC Workgroup 114
Service Standards and Measurement for Market-Dominant Products
Confirm Service Standards
June 7, 2007 Telecon Notes

Background

Kathy Siviter, PostCom, MTAC workgroup 114 industry co-chair, began the telecon by providing the background for the call. MTAC workgroup 114 at a previous meeting had reviewed the list of Special Services offered by the Postal Service to determine which the MTAC workgroup should make recommendations on service standards for. Each Special Service was assigned to either a subgroup of the larger workgroup, or to a separate group of interested participants. The latter was the case with Confirm, and this is the first telecon to discuss service standards for the Confirm service.

Ms. Siviter clarified that "service standards" in this context do not refer to the delivery service for mailpieces using the Confirm service. Service standards for Confirm service would be standards around the provision of the Confirm data and other elements of the service.

Review of Draft Recommendations

Ms. Siviter, along with input from several Confirm users who are workgroup participants, drafted a set of recommendations for Confirm service standards, which were distributed to the telecon participants prior to the call.

Background Section. The document begins with a "background" section that describes the Confirm service. Ms. Siviter noted the language in this section was obtained from the existing Domestic Mail Classification Schedule (DMCS) language, as well as from official USPS publications on Confirm.

Jeff Sinn, USPS Confirm program manager, said the background section is very accurate and covers all the points he had included in a draft description the USPS was working on. Ellenor Kirkconnell noted several typographic corrections to the Background section, which will be reflected in the next version of the document.

The group briefly discussed the statement included in the first paragraph of the Background section, "Scan information is not guaranteed for every piece of qualifying mail." Ty Taylor, J. C. Penney, said that if the barcode used is good, the Confirm subscriber should get scan data. Tim Gribben, USPS Intelligent Mail, noted that there could be pieces in the mailing where the barcode is not readable, even if the mailing passed MERLIN during acceptance, because MERLIN tests a sampling of the mailing, not every piece. In addition, mechanical rejects can occur on processing equipment due to issues such as double feeds, pieces going through the transport with excessive skew, etc.

Barry Walsh, USPS, noted that not every mailpiece using Confirm goes through a facility with automation equipment, so those pieces also would not get scanned. Joy Franckowiak, Cox Target Media, reported that according to their Confirm scan data, only about half the carrier route presorted letters are run on automated equipment and return delivery point sequencing scans. They are told that if it is more efficient to cross-dock the mail or work it at the DDU, no scans will be returned.

The group agreed that some language explaining these possibilities should be included in the document. Mr. Gribben and Mr. Walsh will draft some language for this purpose.

Scan Rate Service Standard. Ms. Siviter briefly reviewed the proposed recommendations for standards around USPS mailpiece scan rates and entry scans. The proposed recommendations are separated by mailpiece scan rates and scan rates for entry scans (8125 scans at induction). Mr. Sinn noted that the way the Confirm service currently works, there are two separate data streams that are received separately by the subscriber.

Ms. Siviter asked the group if having separate goals for the mailpiece scans and for the entry scans makes sense. Mr. Taylor noted that if the entry scan is not obtained, the USPS does not use the mailpiece scan data for performance measurement because there is no accurate Start the Clock. He suggested that even if the USPS does not have the entry scan data, it still should use relationships between mailpiece scan data points for service performance diagnostics.

Mailpiece Scan Rate: Ms. Siviter said that it is reasonable for industry to expect that, except for the above-noted situations where scans would not be returned, a high percentage of mailpiece scans should be achieved by the USPS. She noted that there are situations where a piece returns no scans, or returns an initial processing scan but not a last scan (as defined by the USPS operation code). There could be separate standards for these types of occurrences.

Mr. Callow asked if all the Confirm scans are passive scans, and the USPS replied affirmatively. Mr. Walsh noted that a piece could be lacking a last scan because the destination processing facility has no automated equipment. Ms. Siviter said that mailpiece data then would not be able to be used for service performance measurement because there would be no Stop the Clock data. Mr. Walsh will follow-up on providing data as to how many facilities or how much volume is processed through facilities that do not have automated equipment and therefore would not return a last scan. He noted that another reason a destination scan could be lacking is the piece gets rejected at some point in processing and is handled manually thereafter.

Ms. Kirkconnell suggested that the USPS could identify the average percent of volume of mail to facilities without destination scan capabilities, subtract that, and then get to a reasonable goal. Mr. Walsh said the percent of mail that does not get finalized on incoming secondary automation should be easily obtainable as it is a key USPS management indicator. Ms. Siviter asked the Confirm subscriber participants to look at their data and provide information as to volume/percent where an initial scan is provided but no destination/delivery scan is provided.

Mr. Bellamy stressed that presort make-up of the mail could be a factor in the type of facility (one with automated equipment versus one without) the mail gets processed in. He suggested that the group could look at the mailpiece scan rates now and use that as a benchmark for discussions.

Entry Scan Rate: Ms. Siviter noted that the draft proposal recommends a 97 percent scan rate for induction forms. She asked how the ratio would be determined, since the induction form is not a one-to-one relationship with Confirm mailings (multiple mailings can be represented on one induction form). Jim Callow, OCA/PRC, noted that with Delivery Confirmation, there is a one-to-one relationship between the acceptance scan and delivery scan. He asked how problematic it would be for industry to file one entry form per Confirm mailing, and industry participants responded that would be extremely difficult – in some cases one entry form could represent 50 mailings. Today, only one barcode can be provided on the entry form, and the EMD database ties the mailing information to the barcode scan.

Mr. Sinn reported that the USPS has no internal goals for entry scan rates at the present time. Mr. Taylor reported that his company is getting about an 83% entry scan rate for 2007 YTD. He noted that the scan rates have been higher in the past, up to the high 90's. Phil Thompson, QUAD/Graphics, said it should be at least 97%. Others on the telecon suggested that 97% is too low. Mr. Walsh suggested that when the USPS ties the entry scan rate to performance

bonuses, then the rate will improve significantly, but the USPS has to ensure that the initial target is attainable otherwise it will get ignored. Mr. Taylor said that as long as the scanners are charged and the employee scans the forms and downloads the information, that's all there is to it.

Mr. Walsh responded there are lots of places things can go wrong between when the record is scanned and when the information is reported out – communications could fail, records could get lost. He said there are lots of things that can prevent these situations, such as backup systems, but those cost money. Ms. Siviter said that the USPS certainly should have the appropriate IT and back-up systems in place for the amounts of data it will be processing and storing under service performance measurement with Intelligent Mail. Mr. Callow said that there will always be the possibility of unexpected problems like lightning strikes, power outages, etc., and the USPS would not be held accountable for events beyond its reasonable control.

The group discussed whether a goal of 97 percent to start would be appropriate or whether a lower goal that increases over a period of time would be more reasonable. Mr. Thompson noted that mailers are expected to scan 100% of their product – that's the goal and standard they are held to. He said that industry's job is not to tell the USPS how to get there, but to make clear that we need 97-98 percent. Mr. Walsh suggested that the group could recommend that industry needs a certain percent and wants the USPS to establish a schedule for meeting that goal.

Ms. Kirkconnell noted that the USPS has been touting Confirm scan data as the basis for service performance measurement reporting to Congress and the PRC – if the USPS can not capture the data, how will it be ready for service performance measurement in December? Mr. Gribben responded that the USPS can do service performance measurement without Confirm – which is a service for individual mailers. Seamless Acceptance will provide the Start the Clock data for service performance measurement, he said.

Mr. Sinn asked how the standard would distinguish between entry scans not obtained because of bad or missing barcodes on the entry form, versus barcodes not scanned by the USPS. He said it is hard to determine how often the former happens by looking at the data today. Angelo Anagnostopoulos, GrayHair Software, noted that often today the entry form (8125) gets put into a tray at the USPS facility and is not scanned until the next day. He also noted that under Surface Visibility, the 8125 barcode scanning goes away and the Start the Clock is determined by scanning barcodes on pallets as mail is inducted.

Ms. Siviter asked the USPS what the impediment is to being able to reflect entry scan rates as a percentage, and Mr. Sinn said he will have to get back to the group on that issue. He expressed concerns as to how to separate scans being missed because of USPS performance, versus scans missed because of mailer error.

Mr. Callow asked when the form 3152a is used versus the 8125 and whether the discussions apply appropriately to both processes. Mr. Sinn said that 8125s are used for most drop shipped mail inducted at destination facilities. The 3152 form is used at Detached Mail Units (DMUs) or Business Mail Entry Units (BMEUs) mostly with First-Class Mail. The barcode on the form is the same, the scanning process the same, and scanning equipment is the same. The form and type of mail are the only differences.

Timely Data Availability Service Standard. Ms. Siviter briefly reviewed the proposed recommendations for service standards around timeliness of data availability. This section separately addresses data provided by FTP option, Confirm web site option, or USPS e-mail notices (entry scan data only).

FTP option: Mr. Sinn reported that most Confirm subscribers receive their data through the FTP option, on average three times per day with smaller subscribers electing to receive the data once a day. There are some users of the origin Confirm service, he noted, that do receive their data 24 times a day. He indicated that there are some late night and early morning processing hours where scan data volume is heavier than in the late afternoon, for example.

It was clarified that the recommendations proposed in this section are based on the availability of the data to subscribers (e.g., package files are available to customers), and the recommendations in the next section relate to how quickly after the date/time stamp of data is scan data available. It was clarified that the service standard proposed is within one hour of the mailer's requested time for receipt of mailpiece scan data, or within 3 hours of the mailer's requested time for receipt of entry scan data. So, if the mailer requested mailpiece scan data files in FTP format at 12:00, the mailer could go and get the data between 12:00 and 1:00. If the data were not available by 1:00 in that example, that would fall outside the service standard. Mr. Bellamy concurred, saying the standard would apply to how many times a day the USPS meets the mailer's requested time (within the specified buffer). He suggested that this standard would not be measured on a daily basis, but rather should be measured monthly or quarterly.

Mr. Bellamy will re-write the language in the existing section for the FTP option, and offer suggestions as to an appropriate frequency of measurement.

Confirm web site option: Mr. Sinn noted that the web site option is not used as often as the FTP option, but is used by some subscribers – mostly smaller subscribers with lower volumes. It also is used (albeit rarely) in cases where the FTP option is not working because of security issues, etc. A subscriber in that case may try the automatic download from the web site, but FTP is the preferred option for large volume subscribers.

Ms. Siviter reviewed the recommendation for extending the subscription period if the FTP or web site options are unavailable due to USPS system outages (other than routine maintenance) and the data is not provided in a timely manner. Mr. Callow suggested that the USPS should report the amount of time it has not provided data to mailers within the standard to show trends over time. Ms. Kirkconnell suggested that the USPS be required to report all periods of system down time, and that should be added to the reporting requirements section.

USPS E-Mail Notice: Mr. Sinn reported that some subscribers get the USPS e-mail notices for entry scan data because they can get data both through that option and the FTP option, so some elect to do both. Mr. Taylor noted that when the system is going to be down, the USPS NCSC sends out an e-mail notice in advance, which is good.

Quality of Confirm Scan Data Service Standard. Ms. Siviter reviewed the proposed recommendations for service standards around quality of Confirm scan data. The goal is that the data be accurate and that the USPS become proactive and responsible about ensuring data quality, identifying anomalies and taking corrective action. Mr. Bellamy stressed that if the data is going to be used for service performance measurement, there needs to be a high confidence level in the quality of the data.

The group reviewed the proposed recommendations for scan data quality. Mr. Callow asked for further explanation on the Postnet test, and Mr. Bellamy reported that today scan records can come back with only a 5-digit POSTNET code or no POSTNET code, which renders the scan record nearly useless and likely would render the record useless for service performance measurement.

Mr. Callow suggested that the issues listed in the "valid additional testing" perhaps should be separated with acceptable rates specified as well, so that there are metrics around all the anomalies. Ms. Siviter noted that some anomalies render the scan data useless but other anomalies do not. Mr. Bellamy said that is the case today but some of those anomalies could cause the data to be excluded from service performance measurement.

Mr. Walsh clarified that it would be rare for equipment to return the wrong operation code. A particular DBCS machine could have the wrong code for that DBCS, for instance, but it would still be a DBCS code. Mr. Bellamy clarified that in some cases it could be a case of letters being processed on flats equipment, which would return a legitimate operations code. He noted that no corrective action would be required in these situations, but we might care if it were to cause the data to be excluded from service performance measurement.

Reporting Requirements. Ms. Siviter briefly reviewed the recommended reporting requirements. The group agreed that in most cases, quarterly reporting frequency is sufficient for Confirm service standards performance. Mr. Callow noted that the USPS currently reports on a quarterly basis in many areas, so the group could recommend quarterly or more frequently if determined necessary. Mr. Taylor said that the USPS should be able to perform ad-hoc reporting as needed.

Action Items

The following action items are noted from today's meeting **(action items still pending from earlier meetings are shown in bold):**

1. **Task Owner:** ***USPS (Tim Gribben/Barry Walsh)***

    a. Tim Gribben and Barry Walsh will draft language explaining the statement, "Scan information is not guaranteed for every piece of qualifying mail." This explanation should include a brief list of the situations where scan data typically would not be provided (e.g., unreadable barcodes, pieces processed in USPS facilities with no automated equipment, machine rejects, etc.).

2. **Task Owner:** ***USPS (Jeff Sinn)***

    a. Ms. Siviter asked the USPS what the impediment is to being able to reflect entry scan rates as a percentage, and Mr. Sinn said he will have to get back to the group on that issue. He expressed concerns as to how to separate scans being missed because of USPS performance, versus scans missed because of mailer error. Mr. Sinn will come back to the group with more information.

3. **Task Owner:** ***USPS (Barry Walsh)***

    a. Mr. Walsh will follow-up on providing data as to how many facilities there currently are, or how much volume is processed through facilities, that do not have automated equipment and therefore would not return a last scan.

4. **Task Owner:** ***Industry Participants (Confirm Subscribers)***

   a. Confirm subscriber participants should look at their data and provide information as to volume/percent where an initial scan is provided but no destination/delivery scan is provided.

5. **Task Owner:** ***Industry Participant (Cameron Bellamy)***

   a. Mr. Bellamy will re-write the language in the existing recommendations section for Timeliness of data for the FTP option, and offer suggestions as to an appropriate frequency of measurement.

Next Meeting

The next meeting of the Confirm subgroup has not yet been set. Ms. Siviter will send out an e-mail notice with the revised draft recommendations document and the notes from this telecon, and a second telecon will be scheduled at that time. In the interim, participants are encouraged to continue to review the draft recommendations and provide comments/feedback.