

MTAC Workgroup 114
Service Standards and Measurement for Market-Dominant Products
First-Class Mail Subgroup
July 10, 2007 Meeting Minutes

USPS/PRC Consultation Process

Jeff Lewis, Full Workgroup 114 USPS co-chair, gave the subgroup a brief update on the USPS/PRC consultation process and time lines that impact the workgroup. He noted that the Postal Service will initiate, in consultation with the Postal Regulatory Commission (PRC), a *Federal Register* notice and comment period relative to service standards.

Mr. Lewis said that the USPS and PRC have begun meeting to discuss the service standards and measurement requirements under the law, and the USPS plans to be able to provide the PRC with a draft proposed *Federal Register* notice. Looking at the deadline for when things need to get completed, he noted, the goal would be to publish the notice in the *Federal Register* in early October, allow a 30-day comment period, allow the USPS a few weeks to review comments, then publish a final notice in time to meet the requirements of the law, which is December 20, 2007. Working backwards from that time line, the USPS would like to have a close to final document to share with the PRC in mid- to late September, which means it would like to have a draft document with the proposed service standards for internal review by July 20-27. The USPS plans to present the proposed service standards to its Board of Governors at its August 8-9 meeting.

Mr. Lewis said that he feels comfortable that most of the subgroups have reached tentative recommendations on service standards, recognizing that there are still some issues up in the air (e.g., non-contiguous U. S. locations, etc.). Kathy Siviter, PostCom, full workgroup industry co-chair, asked if the time line allows for any changes that occur after the draft notice, which could impact the service standards recommendations currently being contemplated by the subgroups. Mr. Lewis responded that if the subgroups were to change their recommendations, that would have to be reflected in the process and the *Federal Register* notice.

An industry subgroup participant asked if any major hurdles are anticipated to the workgroup's recommendations relative to service standards. Jody Berenblatt, FCM subgroup industry co-chair, suggested that although the workgroup has made repeated efforts to engage large First-Class mailers to participate on the workgroup, many have elected not to, so there may be concerns that are not being voiced in this venue. It also was suggested that the USPS unions could have concerns. Mr. Lewis stressed that the USPS *Federal Register* notice and comment period will provide yet another opportunity for feedback from businesses and consumers relative to the service standards recommendations.

Mr. Lewis said he will go through the subgroup meeting notes and put a proposal together for USPS internal review, and review by the subgroup to ensure it accurately reflects the recommendations. He will then pull it together will common language/style, as a proposed recommendations document that will be the basis for the *Federal Register* notice.

Special Services Standards

The subgroup reviewed the status of developing service standard recommendations for the Special Services assigned to the First-Class Mail subgroup, with the following updates.

- ***Certificate of Mailing.*** John Sexton, Ken Metroff, Jody Berenblatt and Pam Kalvaitis at the last meeting had volunteered to research and provide some draft recommendations for review. A telecon has been scheduled for July 17 to discuss, with a goal of having a draft ready by the next meeting. Mr. Lewis noted that there is no USPS record/service beyond the point of sale at retail for Certificate of Mailing. Ms. Berenblatt suggested that insurance companies may use the service differently. The group agreed that a business user of the service should help identify what service standards they are interested in.
- ***Money Orders.*** Jody Berenblatt and Dan Emens at the last meeting had volunteered to check with Treasury folks and discuss issues around money orders internally with their companies. One issue noted is that turning the Money Order into money, for financial institutions, may be an area where standards are needed. Jim Callow, OCA/PRC, had previously volunteered to assist as needed with writing up draft recommendations.

Ms. Berenblatt and Mr. Emens reported no response to date on further information for Money Orders service standards and encouraged any other subgroup participants to respond.

- ***Certified/Registered Mail.*** At the previous meeting, Dan Emens and Jody Berenblatt had volunteered to touch base with their internal legal groups to get input, but noted that input has not yet been received. The subgroup reviewed a draft description of Certified/Registered Mail prepared by subgroup participant Jim Callow, OCA/PRC. Mr. Lewis noted that much of the language, while it matches what currently is in the *Domestic Mail Manual* (DMM) may be a bit outdated. The USPS agreed to check the document for accuracy in the service descriptions and get back to the subgroup with any edits. Mr. Lewis suggested that in terms of the information about attempted delivery, etc., the process and expectations should be similar to that for Delivery Confirmation in that it should be relatively instantaneous.

The group noted that while Certified Mail should have the same delivery service standards as other First-Class Mail, the same is not true for Registered Mail which by its nature will travel more slowly through the postal network to ensure security and accountability. Users of Registered Mail are not looking for fast service, but more for security. The USPS agreed to come back to the group at the next meeting with some thoughts on reasonable expectations for delivery service of Registered Mail. Users of that product need to have an expectation of service in order to know when to file claims, etc.

The group agreed that Return Receipt for Certified service should be reflected in the document as the additional service it is, not as included with Certified. Mr. Callow noted that return receipt is integrally linked with the Certified service in the eyes of users, in that 91% of Certifications use return receipts. The group agreed that the service communication and description of the two services is very confusing to consumers and businesses. Mr. Callow agreed to re-write the draft recommendations making the separation of the services more clear. Ms. Siviter will remind participants where to view the Special Services descriptions previously provided, as an aid in write-ups of draft recommendations. The group agreed to further discuss the proposed service standards once the document has been edited and revised as discussed. In the interim, the industry participants will review and consider the draft proposed standards for discussion at the next meeting.

- ***Business Reply Mail (BRM)/Courtesy Reply Mail (CRM)***. Ms. Berenblatt reported that she and Ms. Kalvaitis are reviewing a draft for Business Reply Mail (BRM) service standards. The issue with BRM is the accounting function, which often delays delivery service. The group agreed that it is not realistic today to say that the FCM service standards apply to BRM, but saying otherwise does not give the USPS incentive to resolve the service issues through improving the accounting process.

Mr. Lewis suggested that the accounting function should have a cut-off time. The two pieces of BRM are movement of the mail, which should be the same service standard as other FCM; and when the mail is available for the customer (which includes the accounting function). Mr. Oronzio agreed that there should be an operating plan that supports accomplishing the accounting function within a certain time line. Mr. Callow noted that there are several different BRM services available and each has a different accounting process – some of which are automated and some which are not.

Ms. Siviter said that users of BRM should make recommendations for delivery service of BRM that support their business needs, then it is up to the USPS to respond as to whether that can be met. Barry Walsh, USPS, noted that some mailers have huge BRM volumes which tend to be handled by automated equipment. The USPS agreed to come back with thoughts on appropriate delivery service standards for BRM at the next meeting. Industry participants interested in discussing standards for BRM or CRM should contact the subgroup co-chairs as soon as possible.

Lex Litton, Phoenix-Hecht, reviewed a draft document describing Courtesy Reply Mail (CRM) which is predominantly used by the remittance industry. He noted that CRM delivery service standards are the same as other FCM, though its performance is sometimes better. Tail of the mail issues are even more problematic for CRM in that every day has the same consequence on payment for the remittance industry, so once the standard is missed it is still just as important to deliver on the next possible day.

The group discussed whether the issues of interest for remittance mail pertain more to measurement or standards. Mr. Oronzio noted that remittance mail flow differs from other FCM flows, so measurement points might differ. Mr. Litton noted that today the last barcode scan for remittance mail is at the sort bin on automated equipment at the plant (which could be the origin plant if volume warrants, or destination plant). There is no “stop the clock” scan when the mail is made available to the courier or handed off to the courier. Ms. Siviter suggested that conceivably the USPS could scan tray tags at that point to get a Stop the Clock. The group further discussed the Stop the Clock issue for remittance mail, acknowledging that this mailstream may have different needs in terms of measurement.

Ms. Berenblatt recommended that the subgroup include a recommendation that when the USPS creates new products, whether in the remittance industry or other, it should engage in a similar process as this workgroup in terms of establishing service standards and measurements for those new market-dominant products.

- ***Post Office Box/Caller Service***. Mr. Callow previously had suggested that Caller Service has the same box-up time issue as Post Office boxes. Mr. Emens and Ms. Berenblatt both are querying their internal lockbox managers for input.

Mr. Litton raised two issues of concern he is unsure of how to resolve before writing draft language around Caller Service standards. First, he noted, all Caller Service is an enhancement of Post Office Box, but instead of box-up time you have negotiated pick-up times. This raises two issues – 1) what if the plant says the mail can't be picked up at this time (any way for processor to negotiate?); and 2) what if the plant does not have a legitimate reason (what leverage does industry have and who is the final arbitrator)? Mr. Callow noted that establishing caller service pick-up time is discretionary at the plant level, with some allowing 24/7 pick up and some not.

Mr. Litton suggested that Post Office Box up time is fairly easy to measure, but with Caller Service do you measure what's available and not factor in whether the plant worked aggressively to make the mail available as early as possible? The group discussed operating plans for Caller Service mail, and Mr. Litton noted that from work of the Remittance Mail Advisory Committee the USPS has agreed to "certify" certain postal plants as using best practices for processing remittance mail, but it is unclear how many facilities will be certified.

The group agreed that are different issues around remittance mail and Caller Service, as well as measurement of that mailstream. Mr. Oronzio suggested that in the future with more Intelligent Mail data, the USPS would have the ability to look at profiles of when the mail is sorted on machines and the percent of that mail that could be made available earlier in the day. Ms. Berenblatt said her company had the data and spent a long time trying to negotiate with the USPS to no avail.

Ms. Siviter suggested that the remittance industry attempt to articulate some guiding principles that reflect its needs in terms of service standards and measurement and its concerns, as discussed in this meeting. Mr. Litton agreed to draft some language.

On the Post Office Box service standards, the group had reviewed at the last meeting a draft write-up prepared by Mr. Callow, which Mr. Lewis said looks good. Mr. Callow noted that the USPS has established POB up times by district, which vary. He noted similar issues as discussed relative to Caller Service in that if the transportation and processes allow for POB mail to arrive at the delivery unit by 6:00 a.m., why is the up time 12:00 noon, etc. Mr. Lewis noted that in delivery units the first priority is getting carriers out on the street for delivery, so the same clerk that may be responsible for the POB mail is being used first to sort mail for carriers.

Mr. Callow noted a list of questions he had not been able to get responses to, which Mr. Lewis quickly provided (Question # 1=yes; #2=no; #3=no; #4=all boxes; #5=yes; #6= POB supervisor/Postmaster does that; #7 = some checks exist in terms of audits or EXFC failures, which drive behaviors; #8 = info comes from POB units/sections then is rolled up; and #9=the USPS can see daily reports). The group discussed whether it should include a recommendation that POB up-times be established by the USPS more aggressively.

"Tail of the Mail" Discussion

Barry Walsh, USPS, and E.C. Nix, DST Output, presented the revised write-up of recommendations for USPS performance targets to better focus on reducing the "tail of the mail." Mr. Walsh noted that the charts had been revised so that they are easier to understand. The concept is to set a performance target for 99% over a period of additional

days beyond the standard (e.g., 99% of FCM with an overnight service standard is delivered in 3 days, 95% delivered overnight, etc.). The recommendation is written to include ALL First-Class Mail, he noted. The group agreed that the revised language is clear and concise and accurately reflects the needs of business First-Class Mail users.

Draft Recommendations Write Ups

The subgroup reviewed the revised write-ups that have been completed to date with draft recommendations, with the following notes. Please note that a draft of the FCM subgroup recommendations, including all the below write-ups in one combined document, has been posted on the workgroup web site for review prior to the next meeting.

- ***Product Description.*** Jim Prevost and Jim Callow reviewed the draft write up describing the First-Class Mail product, users of that product and the reasons they use it, and users' needs relative to service standards and measurement. The write-ups for single piece and other FCM have been combined into one document which attempts to describe what FCM is, who uses it for what purpose(s), and why standards and measurement are important to add value to mail and increase use of mail for those businesses.

The group suggested deleting the more technical description of FCM that appears at the bottom of the draft product description paper. Ms. Siviter asked if the percentage of single piece relative to all First-Class Mail could also be included in the appropriate section. Distinguishing remittance mail also was recommended. Mr. Callow agreed to make the edits and send a revised version to the subgroup for review prior to the next meeting. Ms. Siviter will include a brief paragraph acknowledging that the subgroup decided not to have shape-based service standards and why. [Note: this has been done and incorporated into one full recommendations document, which has been posted on the workgroup web site.]

The subgroups had been asked to include language in their recommendations a brief description of each product, uses of that product, and a discussion of the needs of users in terms of service standards and performance measurement, for the education of readers not involved with the workgroup.

- ***Existing Standards.*** Mr. Walsh provided a short section describing the existing FCM service standards, which has now been incorporated into the full recommendations document (posted on the web site). The group asked that SCF be spelled out and a note added explaining that the standards for 3-digit O/D pairs are not always reciprocal.

Survey Update

Tim Gribben, USPS, re-capped earlier telecons and discussions relative to the subgroup's recommendations that the USPS survey small businesses to ensure that the subgroup's service standards recommendations reflect their needs. Mr. Gribben noted that about two weeks ago, Ken Richardson, OCA/PRC, had e-mailed two references from past PRC proceedings relative to service standards (one from a past complaint case and one from a past rate case). He noted he could not find the complaint case reference and has asked for a link.

Mr. Lewis noted that the USPS initially had responded that its previous research and surveys done in the late 1980's was adequate to support the current standards, and was representative of customers needs. After more consideration, however, and the discussions of the subgroup, the USPS decided to supplement its previous research

Vanessa Martin, USPS, reported that the USPS currently is engaged in surveying about 35,000 residential and small business customers (the same participants as for the USPS Customer Satisfaction Measurement survey). The survey, a copy of which was passed around the subgroup and will be provided in electronic format by the USPS, includes questions about their perceptions of existing service standards, definition of "local" service, by product. Ms. Siviter asked if the USPS can provide an update on the responses to the survey at the subgroup's next meeting, and Ms. Martin agreed to do so.

Service Issue Resolution Process

Ms. Siviter noted that subgroup participants previously had raised the issue of the need for a more consistent and effective service issue resolution process. Today, mailers contact a variety of postal managers in an effort to discuss and resolve service issues. Although the USPS has a Business Service Network process, many have indicated that they do not consistently go through that process because it is not always quick or effective. Mailers would like to discuss development of a better process to resolve the service issues that will be identified through the service measurement to be put in place as a result of the new law.

Mr. Oronzio said that operations managers are not who customers should call concerning service issues because they sometimes don't have the big picture in mind and can make local changes as a result of customer pressures that may inadvertently harm other customers or processes.

Industry participants noted that there is a system today for reporting and discussing service issues, but it is not effective because often there is no USPS action or true desire to resolve the issue. Many times the discussions end with frustration on both sides and no resolution to the service issue. Often postal managers continue to question and poke holes in service data (whether it be Confirm data or mailer data) rather than attempt to resolve the issues.

Ms. Berenblatt suggested that perhaps an PCSC-like (Pricing and Classification Service Center) resolution process is needed where one central USPS group acts as the central point for managing resolution of service issues. In the past, the USPS and industry had begun formulating a list of data elements which the USPS needed in order to take action on service complaints, but that work was never completed. The service measurement data reported in the future should provide the basis for service issue resolution discussions, Ms. Siviter suggested, but a process still is needed.

The group discussed the service performance data of the future, with some question as to what would change from the existing frustration of service issue resolution discussions with the USPS. Except in cases of Seamless Acceptance, mailers anticipate the USPS still will question service data – even that provided through Confirm – because of USPS-perceived Start the Clock shortcomings.

The group asked the USPS what it needs from mailers in order to consider their data valid and engage in service issue resolution discussions. Mr. Oronzio responded that the USPS will have from its own performance measurement systems the data to ensure that service improvements can be made. Future data will provide insight into a large portion of the First-Class Mail stream that the USPS currently does not have with EXFC, he noted, to provide a detailed view of service. Data is not useful unless it helps the USPS pinpoint where service issues are geographically, he said, and the

USPS wants to be able to assess performance to the standards and tie that performance directly to managers' goals so it behooves them to improve performance.

Ms. Berenblatt asked the USPS if it thinks it will have what it needs in terms of actionable data under the new law, and Mr. Oronzio said if things roll out as envisioned, it will. The USPS does not want to lose anything during the transition, however, he said. For instance, if measurement moves to an Intelligent Mail-based system, the USPS does not want to lose EXFC systems which IM will not replace. The nesting ability of Intelligent Mail is critical as well, he noted. In response to the question of whether it can be in place by 2009, Mr. Oronzio noted that there are concerns as to the volume of Intelligent Mail data the USPS will need to collect, maintain, and analyze, but said that is not a question for this workgroup.

Mr. Oronzio said that if the same data is being provided in Confirm and service measurement reporting, then it should be considered valid data for service issue discussions. The industry participants noted that has not been the case in the past and that many USPS managers consider Confirm to be diagnostic information only. Mr. Bellamy suggested that the subgroup recommend that measurement systems be scalable down to a specific mailer by the USPS so that the data at that level would be the same as a Confirm subscriber would see about their mail. Confirm would be a portal, so to speak, of mailer-specific data that a larger aggregate service performance measurement reporting system is built upon. It was suggested that the subgroup recommend that the service performance measurement system built as a result of this process be designed as more robust than Confirm in terms of supporting service issue resolution discussions.

Industry participants expressed the need for an established service issue resolution process, which includes an escalation process when issues are not resolved at a particular USPS level, and timely resolution. The USPS said it is not opposed to developing and documenting a process for service issue resolution. Mr. Oronzio agreed to draft some language proposing such a process for the subgroup review.

Ms. Siviter suggested that the USPS define what valid customer service data is, whether the mailer participates in Seamless Acceptance or not. Mr. Gribben agreed to respond to this question. Mr. Bellamy will help draft a recommendation for a mailer-specific way for customers to acquire data and assemble reports for internal purposes. The industry participants stressed that transparency is needed so that mailers and the USPS are looking at the same data, and not arguing over its validity but rather focusing on resolving service issues.

USPS Service Standards Review Update

Jeff Williamson, USPS, gave an update on the process and preliminary results of the USPS' service standards review. He said that when the workgroup first began, the USPS took the approach that its existing service standards were based on sound business rules. As the discussions progressed, however, industry participants strongly urged the Postal Service to take a serious look at its existing service standards for all market-dominant products to ensure that they reflect existing operational, transportation and network realities. Based on that feedback, the USPS changed its approach and began what has turned out to be an in-depth review of existing standards and business rules.

Mr. Williamson said the USPS has been looking at two things. First, it is conducting a comprehensive refresh of the existing business rules, which has not been done in a long time. First-Class Mail has had the benefit of being reviewed by the USPS within the last 15-20 years through various PRC proceedings, he noted, but for other products the business rules were established in the 1970's and some have not been reviewed since that time. In evaluating the existing business rules and standards, the USPS is using a two-pronged approach. When the standards originally were

developed, there were not tools to geocode buildings, so centers of geographic areas were used to calculate surface transportation distances, which resulted in the great circle miles used for zones. Today, however, technology is available that can calculate actual road distances between specific points. The USPS is making those two adjustments, as well as looking at network changes made over the years.

Mr. Williamson said the second part of the review will focus on looking at the USPS' network performance and capabilities. To that end, the USPS started an internal seeding program encompassing multiple different products, and looking at the end-to-end network flow – not drop ship entry. The USPS over the past two months has seeded about 40,000 pieces at 16 origins with volume destinating throughout the country. Mr. Williamson emphasized that the USPS is analyzing the data to evaluate its network capabilities, not existing service performance.

He reported that for First-Class Mail, the USPS is not seeing scores very different from the existing standards. There is not an average of 7 days to deliver FCM products, for example. He noted that there is some variation in performance in 3-digit O/D pairs, and also across shapes with letters often achieving better service than flats. Excluding offshore locations, however, the USPS is not seeing anything outside its expectations for FCM under today's standards, which gives the USPS a comfort level that today's business rules predict what the USPS should be able to achieve in terms of FCM service performance against the current standards.

Mr. Williamson said that the USPS has found there is more mail to offshore destinations than it expected – information gained as an accidental by-product of the test. In terms of network capabilities, he noted the USPS is achieving 4-day delivery of FCM to Hawaii and Alaska consistently, which gives the USPS a comfort level that as the workgroup moves forward, offshore should be considered differently to consistently achieve the standards. He noted that the USPS would prefer not to deal with offshore locations as exceptions, but to have standards that reflect the operational realities (e.g., service standard ranges from 1-4 days vs. 1-3 days except offshore...).

Ms. Siviter asked if all the non-contiguous U.S. locations were achieving 4 day service, and Mr. Williamson acknowledged that not all are, but the USPS did not want to use the small sample analyzed to date as representative. When the final results of the review are complete, the USPS will have supporting documentation in terms of the review and evaluation, which it will make available to the workgroup. The process is not yet complete, and the USPS is not sure of the timelines for completing the project, he noted.

The USPS has completed its initial cut of the data, which Mr. Williamson said suggests very little change for First-Class Mail standards. There may be some "minor tweaks" around the edges, he noted, because when the USPS ran the business rules against the 3-digit pairs, they applied them hard and fast, but the reality is that for overnight FCM, there are no specific rules that can be applied hard and fast for every O/D pair. There are operational realities around what's achievable in some metro areas but may not be achievable in others. From the 2-day and 3-day standards, the USPS does not see much change at all.

Mr. Williamson discussed one challenge raised by other product subgroups in that they are proposing destination entry standards. He said the USPS thinks that makes a lot of sense for some products, but when it tried to integrate the standards for destination entry with the initial business rules for end-to-end standards, the two did not integrate well, so you could get two different standards. He noted that there are no operational components in the business rules originally used for Periodicals and Standard Mail, just zones. The USPS now is looking at establishing business rules for those products which will allow it to more consistently and predictably establish standards for those products. The USPS will integrate the origin and drop entry rules.

Applying meaningful business rules for all products also will allow the USPS to more accurately reflect the impact of changes on standards from deployment of new technology or network adjustments, Mr. Williamson said. Otherwise, the same 3-digit to 3-digit matrix would exist and drop ship standards are all the same because they are purely based on distance and not operations. So, for instance, overnight service for mail dropped at an FSS site would be the same as mail dropped to the SCF. The USPS is adjusting the business rules to take operations into account as well as distance.

Lastly, these changes will give the USPS a more solid base for going forward and the ongoing review process the workgroup will recommend. If the USPS were to maintain the great circle miles and make no adjustments to the existing business rules, Mr. Williamson noted, there would be no need for a future review process because the miles don't change. But as volumes, mailer behavior, environment, etc. change, the USPS needs a better way to tell mailers service expectations. To do so requires operations-based rules, he noted. Mr. Williamson noted that the USPS needs the future review process as much as industry and strongly supports the recommendation for such a process.

Ms. Siviter asked about the USPS' estimates for the time line for completing this current review process in terms of the workgroup's time line, which has a deadline of mid-September. What happens if the USPS completes its review after the workgroup has completed its work? Mr. Williamson said at some point the USPS will have to draw a line in the sand and then not make any changes until the next review of service standards is initiated through the formal review process. The USPS would like to have the subgroups look at the business rules that the USPS will propose and say whether they are reasonable. If they are, then the USPS could make adjustments based on those business rules. If not, it would wait until the next review. He assured the group that the USPS will not come back in August and change the business rules for FCM. Any changes that would be reflected in the standards that are implemented in December would need to be considered in the workgroup process, he suggested.

Mr. Emens stressed that the workgroup recommendations for standards should reflect what the USPS is reasonably capable of achieving based on its existing network capabilities. Then the USPS needs to measure and improve service. Annual reviews and adjustments to standards could also open the door to degradation of service, which equates to a rate increase in that mailers would pay more and get less. He stressed that changes in standards should be geared toward continued improvement in service. Mr. Williamson agreed that there are things the USPS needs to do to improve service and said the USPS does not want to adjust the standards to make them easier to meet, which is why the proposal for FCM is not to make any significant changes.

Non-Reciprocal 3-Digit ZIPs

At the previous subgroup meeting, industry had raised the question of 3-digit origin/destination ZIP code pairs in the existing FCM service standards where the standards are not reciprocal (e.g., overnight in one direction but 2-day in the opposite direction between the same 3-digit pair). Over 1,200 3-digit ZIP pairs were identified where the standard is 1-day in one direction but 2-day in the other direction within the same 3-digit pair. The discussion had been tabled until this meeting so that Mr. Williamson could provide additional information.

Mr. Williamson explained that non-reciprocal 3-digit ZIP pairs are the result of applying business rules for 1-day service. In many cases, he explained, the volume does not warrant early dispatches in one facility, but heavier volume in the other direction can warrant earlier dispatches. He said the majority of volume is headed one way within a 3-digit pair, and in some cases there are time constraints. In addition, some smaller sites can clear mail earlier. He noted that it is not just a question of transportation, but also facility capacity, equipment, space and other factors.

Forwarded/Returned Mail

Jeffrey Fistel, USPS, gave a presentation on the time it takes the USPS to process and forward pieces for which a Change of Address (COA) has been filed. A handout with a complex flow chart was distributed, which the USPS later in the discussion agreed to revise. Mr. Fistel gave an in-depth explanation of how COAs are processed and how pieces to those addresses are processed. The USPS is working on three major improvements to some of the processes, he reported, some of which will be put in place in the Sept-Dec 2007 time frame, and others in July 2008.

The group discussed the COA process and agreed that the total number of days for each process should be included on the revised flow chart, as well as the span of shortest to longest time to process and deliver mail to those addresses. Mr. Callow said that while the chart and explanation are helpful, it does not provide the clarity the group is looking for. The process is so complex, but he suggested it could be reduced to a grid. Mr. Callow and Mr. Fistel will work together on a revised chart.

Service Performance Measurement

Ms. Siviter noted that a two question survey had been sent to all subgroup participants relative to their measurement needs. Only a few responses have been received so far and a reminder will be sent to those that have not responded.

Mr. Bellamy disagreed that the questions sent in the survey related to measurement. He said the questions were about data reporting needs, not measurement systems. He suggested the group needs to focus on how service will be measured, what Start the Clock and Stop the Clock data points will be, whether Confirm data is included in Seamless Acceptance and if not, is Confirm data still of value, etc. He stressed that we need to discuss how and what will be measured. Mr. Callow said his understanding is that automation letters and flats will be measured with passive Intelligent Mail Barcode scans, beginning by 2009. But how will non-automation presort mail be measured? Non-barcoded mail (will the USPS barcode it)? What will the measurement system be? Mr. Thomas suggested the group worry about the larger mailstreams first and then tackle the smaller streams later.

Mr. Oronzio suggested that the group focus on identifying the gaps for the July 24 meeting. Mr. Gribben said the USPS knows there are gaps, not just by type of mail, but by entry point. It is not as much issue for First-Class Mail, he suggested, as it is for products such as Standard Mail. There may need to be some external measurement, but how can data be combined in a meaningful way so that small volume mailstreams are taken into consideration. The USPS is working on a gap analysis. Pritha Mehra will be reporting tomorrow on Start the Clock as the USPS envisions it, both for Seamless Acceptance mailers and those not participating in Seamless Acceptance. He said that mailers using Confirm should be able to tie their data to aggregate measurement data, but the USPS also could use Intelligent Mail to do measurement of all mail whether the mailers is a Confirm user or not. There are gaps, however, in single piece and collection mail in terms of using Intelligent Mail.

Ms. Siviter suggested that the group focus on the proposals for measurement which the USPS has presented several times (Mr. Gribben's past few presentations at the full workgroup meetings) and outline any questions, issues, concerns, or support of those proposals. It was agreed that Ms. Siviter will send out an e-mail reminder to do so prior to the next meeting. She urged participants to provide the co-chairs with any thoughts on how to proceed in terms of measurement focus. Mr. Gribben suggested the group also think about how to do measurement in the absence of Seamless Acceptance (for those mailers that will not participate), perhaps based on MERLIN evaluation to determine

what data is excluded, or only having pieces verified by MERLIN included in measurement? Mr. Gribben will draft a list of questions/thoughts for participants to respond to.

Action Items

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

1. **Task Owner:** *Jeff Lewis/Chris Oronzio, USPS*
 - a. **Mr. Oronzio will follow-up on an update at the next subgroup meeting on the CET effort and time line.**
 - b. **Mr. Oronzio will coordinate setting up a separate telecon to discuss International Mail service standards, to include appropriate participants (the USPS, interested workgroup members, the State Dept., etc.).**
 - c. **The USPS will provide a revised version of the forwarded/returned mail service standards proposal at the next meeting (to include FCM parcels, and a flow chart/table showing how the standards are applied).**
 - d. Mr. Oronzio will provide volume data relative to Caller Service, to the extent possible.
2. **Task Owner:** *Joel Thomas, NAPM*
 - a. **Joel Thomas agreed to obtain and distribute to the subgroup the pertinent data from the PRC N89-1 case concerning FCM service standards business rules and development processes.**
3. **Task Owner:** *USPS*
 - a. **The USPS agreed to perform some data analysis and review on service performance to/from areas outside the contiguous United States, such as Alaska, Hawaii, Guam and Puerto Rico, in an effort to quantify the percent of time it meets a 3-day service standards to/from those 3-digit ZIP Code areas.**
 - b. **The group asked the USPS what percent of FCM is nonmachinable, by processing category (letters/flats/parcels). The USPS will get that data for the next meeting.**
 - c. **The USPS will provide additional information on Special Services at the next meeting (e.g., for Certificate of Mailing – are there activities/service beyond the point of purchase at the retail window).**
 - d. The USPS agreed to check the draft Certified/Registered service standards recommendations document for accuracy in the service descriptions and get back to the subgroup with any edits. Jeff Lewis will work with Christine Ray on this.

- e. The USPS agreed to come back to the group at the next meeting with some thoughts on reasonable expectations for delivery service of Registered Mail. Chris Oronzio agreed to provide this information.
- f. The USPS agreed to come back with thoughts on appropriate delivery service standards for Business Reply Mail at the next meeting.
- g. Industry participants expressed the need for an established service issue resolution process, which includes an escalation process when issues are not resolved at a particular USPS level, and timely resolution. Mr. Oronzio agreed to draft some language proposing such a process for the subgroup review.
- h. Mr. Callow and Mr. Fistel will work on revising the COA flow chart as described in that section of these notes.
- i. Mr. Gribben will draft a list of questions/thoughts for participants to respond to relative to measurement outside of Seamless Acceptance (e.g., using MERLIN, etc.).

4. **Task Owner:** *Industry Subgroup Participants*

- a. **Kathy Siviter will request volume data for the non-contiguous United States areas from GrayHair Software, for the same period as their prior data on this issue.**
- b. **Industry participants that volunteered to draft recommendations on standards for Special Services will provide a draft to the co-chairs for distribution prior to the July 10 meeting.**
- c. Kathy Siviter will follow-up with those subgroup participants that have not yet responded to the list of questions on service performance measurement.
- d. Industry participants (as assigned, see Special Services section) will provide draft recommendation write-ups on standards for Special Services assigned to the subgroup.
- e. Subgroup participants should e-mail any other suggestions or concerns with the USPS proposed forward/returns service standards.
- f. Ms. Kalvaitis, Mr. Metroff, and Mr. McComb will work on a draft of their business perspectives in terms of service for the non-contiguous U.S. locations.
- g. Mr. Callow agreed to re-write the draft recommendations for service standards for Certified/Register Mail making the separation of the Return Receipt service more clear.
- h. Any subgroup participants interested in assisting with crafting service standards recommendations for Money Orders, Certificate of Mailing, of Post Office Box/Caller Service need to notify the subgroup co-chairs of their interest.

- i. Mr. Litton will prepare draft language to articulate some guiding principles that reflect the needs of the remittance industry in terms of service standards and measurement and its concerns, as discussed at the last meeting.
- j. Ms. Siviter will send out an e-mail reminder that subgroup participants should review the USPS' Intelligent Mail measurement proposals and develop a list of questions, concerns, issues for discussion at the next meeting.

Next Meeting

The FCM subgroup will hold its next meeting on Tuesday, July 24, from 1:00 p.m. to 4:00 p.m. at USPS Headquarters. Other future scheduled meetings include:

Aug 14	9:00 am - 3:00 pm	Finalize recommendations
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