

MTAC Workgroup 123
Service Information Needs, Reporting, and Communication Channels

October 21, 2008 Meeting Notes

Opening

USPS co-chair Becky Dobbins reported that the minutes from the last three meetings have now been sent out. Any corrections/additions should be sent by e-mail to Becky Dobbins or industry co-chair John Sexton.

Review of Pending Action Items

Ms. Dobbins reviewed the pending action items listed in the October 14, 2008 meeting notes. The status of future distribution of the service standards disk is still unknown, she noted, and the USPS will check on that. She noted that the USPS will respond directly to PCH on its parcel data issues. The USPS has distributed the comparison grid on participant's needs from service performance data, and an updated version will be re-distributed.

Parcels Subgroup Update

Brad Obert, Newgistics, reported that the group is in the process of setting up its initial telecon, which has not yet taken place. Ms. Dobbins noted that Wendy Smith, PCH, had asked for the parcels subgroup to be able to give a brief update at the start of each of the main workgroup telecons, so that will be scheduled from this point forward, following the review of the last meeting minutes.

International Service Performance

Larry Chaido, TransGlobal Consultants, Inc., briefed the group on the service performance data needs for international mail users. Materials were distributed prior to the workgroup meeting, including a copy of his presentation, excerpts from existing USPS web site pages, and the USPS' Quarter 3 RPW report on revenue and volume.

Mr. Chaido noted that for the USPS' quarter 3 year-to-date (YTD), international mail revenue represented 3% of the total postal products, compared to 1.8% previously. He said the increase was largely due to the price increase for international products, which increased the total revenue by 18.5% in one year.

In terms of total pieces (articles) mailed, however, international represented 0.004% for the same period. So although the revenue was 3%, the volume in terms of pieces is very low. Mr. Chaido noted, however, that a 1.2% increase in volume is seen going into Quarter 1 FY 2009.

Mr. Chaido reviewed the definition of First-Class Mail international, which is the only market-dominant international product for the USPS. He noted that the definition, which is developed through the Universal Postal Union (UPU) -- an organization comprised of about 203 postal administrations -- now encompasses not only FCM letter mail, but also other FCM international articles.

Under the UPU, there are two conventions in the area of international mail -- letterpost (which we will be dealing with) and parcel post (other articles that go through international mailing). These conventions will be changed in 2010, but currently are approved by member nations.

From the USPS' point of view, international mail products are separated into First-Class Mail international and all others. For Postal Quarter 3 YTD, the revenue is split about 50/50 between these two categories. In terms of revenue, however, FCM articles represent about 37% of the total revenue while other articles total about 63%.

In looking at international First-Class letter mail under the USPS' new product definitions (revised in 2007), pieces falling into the letter mail category comprise 95% of the total international volume and 50% of the total international mail revenue. Within the FCM lettermail category, market dominant product represents 52% of the volume and 74% of the revenue.

Mr. Chaido reported that the UPU has established rules that link quality of service to payments provided by the sending post to the delivering post. Many postal administrations around the world currently are measuring service performance. If a postal administration provides track and trace, for instance, it can result in a 15% increase in payment. So if postal administrations meet the quality of service requirements set by the UPU, they increase their revenue.

The European Union (EU) also has a quality of service program in addition to the UPU requirements, Mr. Chaido reported. That program is managed by the International Post Corporation (IPC) which was founded by a group of postal administrations (including the USPS) in 1994. There currently are 24 members of the IPC, he said, and the member postal administrations are responsible for 80% of all letter mail articles.

The IPC uses a variety of UNEX Measurement Systems, including RFID end-to-end measurement, barcode measurement, parcel tracking, Express Mail tracking, and tracking of valuable items such as Registered, Insured, Expris. Many countries use seed programs for measurement, but many use RFID, he noted. Service performance monitoring based on RFID scans used by the EU and UPU include scan data for the sending country, sorting centre, outbound office of exchange, international transport, inbound office of exchange, sorting centre, delivery office and receiver in the destination country. Many countries require more scans than these points, he noted, including the USPS.

Showing an example of an IPC measurement report for Europe for 2007, Mr. Chaido noted that the first EU directive only included measurement of speed, at which point an 83.3% performance level was achieved. The EU now is achieving 94.1%, however, as it chose to measure accuracy and reliability when the second postal directive was issued by the EU. Achieving these levels in the EU has had an affect on the revenue the sending country pays to the delivery country, he noted. The reports are available on the IPC web site, he said, for those wanting more detail (<http://www.ipc.be>).

Mr. Chaido presented recommendations for service performance measurement/data needs of international product users. Reporting should be by sender (location), USPS International Service Center/Exchange Office, and International Region. Reporting should be on a quarterly basis. RFID should be used where possible (54 countries currently using RFID), with other approved methods used for other countries. Information should be based on scans for the sender (outbound office of exchange), clearance from Customs office (destination country) and receiver (destination country). The U.S. exchange office should use their unique 3-digit code to identify them and link with sending codes for reporting. Communication channels should be similar to those used by the USPS for other market dominant products.

Lastly, Mr. Chaido recommended that other international delivery options (outlined on excerpts from USPS' web site pages) reflect current delivery times based on region, origin and destination -- rather than a broad

range (e.g., 4-8 days) as shown now. These should be updated and posted quarterly on the USPS web site (<http://www.usps.com/international/sendmail.htm>).

Ms. Dobbins thanked Mr. Chaido for a very thorough presentation. She noted that international mail measurement will be included in the USPS quarterly reports to the PRC which will be posted on the USPS' web site. She asked if flats are included in the IPC measurement, and Mr. Chaido responded that the international mail definition comes into play. If the flat is under four pounds, for instance, it is included, but some Priority pieces would not be included. Items sent Priority Mail would not be tracked for the 65 countries to which the service is available. For other countries, however, it would fall under the regulations for letter mail. The USPS' International Mail Manual (IMM) provides services and restrictions for each destination country.

Review of Workgroup Charter

Ms. Dobbins conducted a review of the original workgroup charter, a copy of which was distributed to participants prior to the meeting.

For item #4 on the charter, "Determine communication channels for the USPS and Industry to alert each other of general problems as well as problems to specific areas or mail categories and determine most effective and consistent communication channels for conveying the status of resolution, without duplication of channels," she said that the USPS has chosen its Business Service Network (BSN) as the primary communications channel to deal with customers on service issues. What is industry looking for beyond that, she asked.

Jim Lombard said that one thing lacking is notification from the USPS as to problem areas above and beyond the large catastrophic events, such as hurricanes. While that information is very useful in disaster situations, it would be useful to have similar information for events on a smaller scale. There are many issues that could delay delivery in a geographic area, and that type of information is not being disseminated in any fashion to customers.

The group discussed the need for more granular information from the USPS on a more localized level. Kathy Siviter suggested that the USPS must have an existing process in place to collect the data in a centralized manner, and then post the data on RIBBS in the event of hurricanes or other major catastrophic events that impact delivery. Why not use the existing process, but add more types of information? The USPS would need to change its protocol to force reporting of the data by setting metrics and definitions for the field to use. Only events that would impact mail delivery should be included, the group agreed.

The following volunteered to help put together a short list of criteria for the type of data to be reported: Todd Black, Jim Lombard, Lisa Bowes, Kathy Siviter, Angie Burns and Craig Vance.

Mr. Black asked the USPS for a list of the current qualifiers around its formal service performance measurement reporting system. Bob Fisher said there are no data exclusions around catastrophic or other events that impact delivery. The measurement data is collected and reported, and at the end of the year the USPS could mitigate the level of accountability if there are things that were outside people's control, such as natural disasters. Ms. Dobbins noted that there is a list of data exclusions in the formal proposal submitted to the PRC, which included certain ZIP Codes. She said the USPS has no intention of excluding data unless it is agreed to by the PRC.

The group also noted, after some discussion, that while posting this type of data prior to or during the event is preferred, there still is value in the USPS providing the data after the fact to help businesses explain potential

impacts on response rates or mailing, provide info to customers to help resolve service complaints, and for historical analysis, etc.

Ms. Bowes recommended that the USPS use an RSS feed option for data being posted on RIBBS, which allows the user to determine if there has been new information posted since their last visit.

Ms. Dobbins noted that item # 1 on the workgroup charter, "Provide both the USPS and the Industry with actionable data," has been discussed by the workgroup in terms of the input received from participants on what service performance data is needed. This will lead us into the discussion on our October 30 telecon, she noted, which will be led by Bob Fisher, USPS. We need to focus on "actionable" data elements. The USPS also needs to have data aligned with its organizational structure, she said, even though some participants have pushed back on that. We need to attempt to list the criteria for defining what actionable data is as soon as possible.

Mr. Lombard reiterated his suggestion that if the USPS is concerned about the sheer volume of data at the 5-digit level, exception reporting should be considered. So not every 5-digit ZIP code pair would have reporting, only those that are early or late. The USPS could filter the data and it would make reports easier to read and more manageable for distribution. Mr. Fisher said the group will have more discussion around that in terms of defining the requirements and whether exception reports are the way to go.

The intent, Mr. Fisher noted, is to review the process elements document distributed to the group, relate the elements and issues back to the charter, and discuss the ultimate deliverables of the process. Mr. Sexton agreed that re-visiting the charter, as was suggested by Jody Berenblatt on the last call, is a good way for the group to keep its eye on the objective. Focus on what's actionable and needed. We assume that we want to piggyback on what processes and systems the USPS currently has or already plans to put into place for its own use. We need to know what that is and how long the USPS plans to keep data, what capacity issues there may be, etc.

Ms. Dobbins said the capacity issue will be explored on the next call. It would be helpful for the USPS to know what issues business customers have in terms of data management and storage -- those that currently use service performance data systems. The smaller the size of the database needed, the easier it will be to manipulate and move data around, she said. Mr. Fisher said the USPS is convinced it does not have to hold all the data, just the right data for the right amount of time.

Action Items

The following list represents new action items added from today's telecon, as well as those still pending from the prior meeting.

New or Pending	Action Item	Assigned To
New	Subgroup to put together list of criteria for USPS reporting data on potential delivery delays at a more granular level than disaster reporting provided today via RIBBS	Subgroup
New	Workgroup participants that use service performance data systems today should advise the USPS of what issues they face in terms of data management and storage.	Industry Participants

New or Pending	Action Item	Assigned To
Pending	The USPS will check on the status of plans to continue distribution of the service standards disk tool.	USPS
Pending	The USPS will review and respond to the list provided by PCH showing the types of discrepancies over a one month period between the USPS' EDW data and DelCon data from PCH's consolidator.	USPS
Pending	The USPS will update and re-distribute the comparison grid showing what workgroup members are doing in terms of measurement data.	Becky Dobbins
Pending	The USPS at a future meeting will present information on the data systems it envisions having in place in the future, for its internal use.	Becky Dobbins
Pending	Provide the USPS with additional agenda items for upcoming meetings	All participants
Pending – need ASAP	Workgroup participants will submit to the co-chairs a one-page, easy to read, simple outline of their recommendations in terms of what they want from service performance measurement that they do not get today.	All industry participants
Pending	Workgroup participants will review the roster when they receive it to identify any participation gaps in terms of industry segments that should be encouraged to participate.	All participants

Next Meeting

The next meeting is a telecon scheduled for Thursday, October 30, from 11:00 am - 12:30 p.m. EST. In addition, the following future meetings have been scheduled:

Wed., November 5, 2008 Telecon 12:00 noon - 1:30 pm EST
 Wed., November 12, 2008 Telecon 12:00 noon - 1:30 pm EST
 Tues., November 18, 2008 In-Person/Telecon 1:00 pm EST (Room 2P310, USPS hq)