

MTAC Work Group #178 Agreement on Measurement Approach

Wednesday, April 20, 2016



- **Introduction**
- **Review Purpose and Area of Focus**
 - Meeting Protocol
 - Objectives
- **Timeline**
- **Objective 1: Agree on Simplified List of Validations**
 - Pick Up Address Quality Discussion
 - Comments/Feedback on Proposed Simplified List
- **Objective 2: Agreement on Measurement Approach**
- **Questions Feedback**



MTAC Work Group #178 Purpose:

- 1 Collaboratively clarify the IMpb Compliance Quality requirements to be included in assessments
- 2 Determine reasonable, achievable threshold targets for each quality metric in 2017 and 2018

Focus Areas:

To collaboratively resolve Industry and customer concerns, the Work Group will address and agree on the:

- 1 Validations included in the IMpb Quality assessments for each category,
- 2 Thresholds levels for 2017 and 2018
- 3 Measurement approach that prevents duplicate penalties or fees.

Ground Rules:

- Meet the stated objectives, and are acceptable to both Industry and the USPS.
- Conduct meetings in a professional and constructive manner.
- Take minutes of all Work Group meetings and promptly submit them to RIBBS@USPS.GOV for entry into the MITS system.
- Agree to attend Work Group meetings (in person whenever possible), and participate in conference calls.

Meetings:

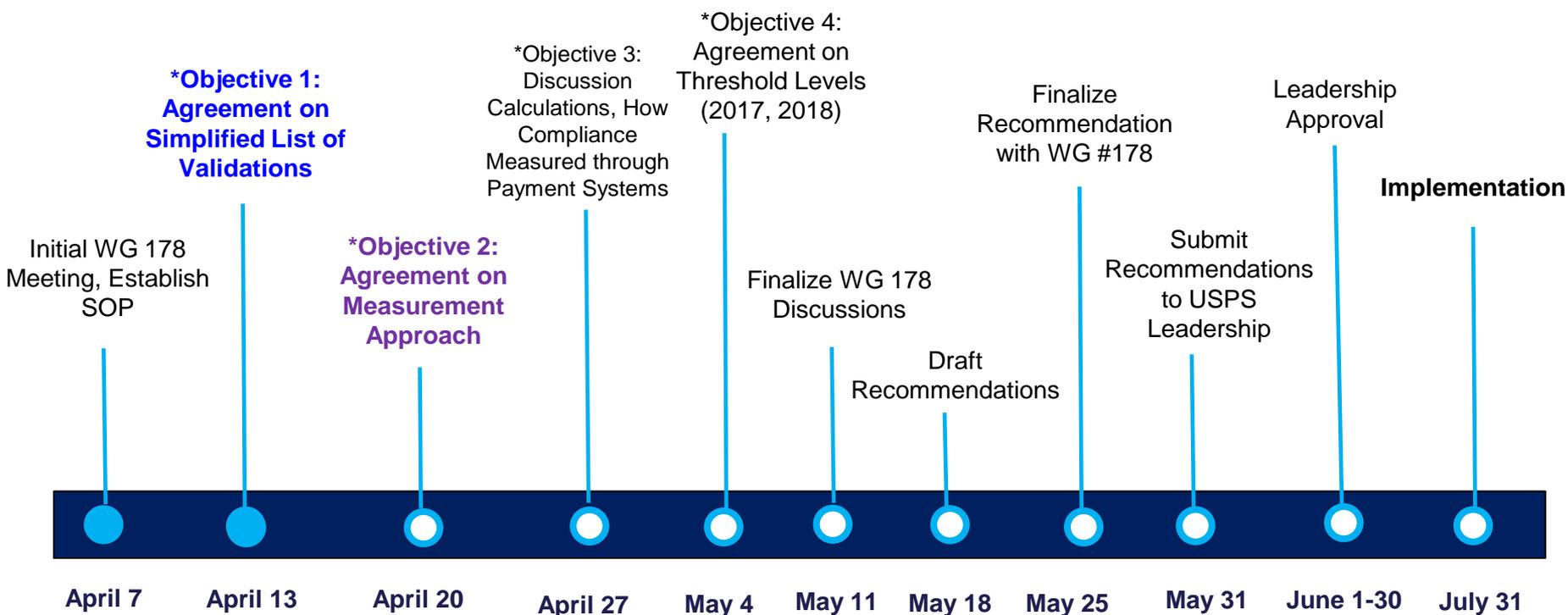
- **Day:** Wednesdays at 4PM EST
- **Frequency:** Weekly
- **Duration:** 60 minutes
- Additional meetings or longer duration as warranted and agreed

Agreement between Industry and USPS on specific items that will be included in IMpb Compliance Quality assessments and the respective threshold for each quality category: Address Quality (AQ), IMpb Barcode Quality (BQ) and Shipping Services File Quality (MQ).

- 1 Objective:** A measurement approach that prevents duplicate penalties or fees.
- 2 Objective:** Transparency and visibility into how compliance is measured and fees are assessed through the payment systems.
- 3 Objective:** A simplified list of validations that focus on the most impactful items and minimize reconciliation issues.
- 4 Objective:** Achievable compliance thresholds in 2017 and 2018.



Notional





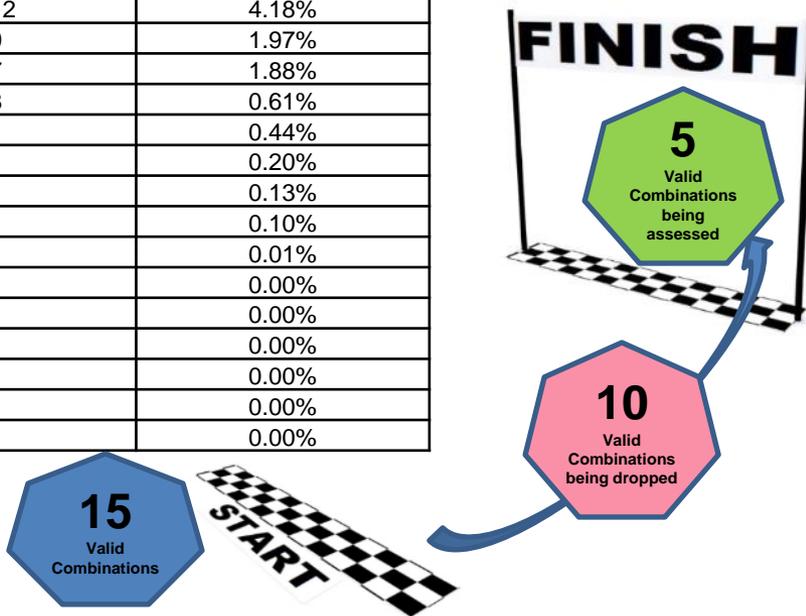
Total Volume

Competitive Products

(International, Retail Packages, and Certified Packages Not Include)

DPV Footnotes	Volume	% of Total Volume
AAN1	12,367,412	4.18%
A1M1	5,845,399	1.97%
A1	5,575,827	1.88%
AACC	1,802,108	0.61%
AAM3	1,292,251	0.44%
AABBR1	587,831	0.20%
AAU1	393,805	0.13%
AACCR1	301,360	0.10%
AAP3	21,452	0.01%
AAN1R1	8,687	0.00%
AABBRR	8,168	0.00%
AAP1U1	5,881	0.00%
AAN1M1	5,273	0.00%
AAP1	3,468	0.00%
AAF1	1,431	0.00%

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AAP1	3,468	0.00%
AAF1	1,431	0.00%



Current DPV Footnotes:

AA - ZIP+4 MATCHED
 A1 - ZIP+4 NOT MATCHED
 BB - HSA_DPV confirmed entire address
 CC - HSA_DPV confirmed address by dropping secondary information
 F1 - MILITARY MATCH
 G1 - GENERAL DELIVER MATCH
 N1 - HSA_DPV confirmed a hi-rise address w/o secondary information

M1 - PRIMARY NUMBER MISSING
 M3 - PRIMARY NUMBER INVALID
 P1 - BOX NUMBER MISSING
 P3 - BOX NUMBER INVALID
 RR - HSC_DPV confirmed address with PMB information
 R1 - HSC_DPV confirmed address without PMB information
 U1 - UNIQUE ZIP CODE MATCH

Objective 2: Agreement on Measurement Approach



A IMpb Compliance Report Code is the unique code that is assigned at a package level which evaluates all the compliance validations, a package can only be assigned one IMpb Compliance Report Code:

- A package can fail more than one IMpb Compliance Validation

Key Compliance Validations		Report Category
SHIPPING_SERVICES_FILE_VERSION	SHIPPING SERVICES FILE VERSION 1.(x) NOT VALID	SF/UN
UNMANIFESTED	NO SHIPPING SERVICES FILE	
BARCODE_FORMAT	BARCODE FORMAT - NOT IMpb	BF
DESTINATION_DELIVERY	DEST DEL ADDR OR 11 DIGIT DESTINATION ZIP CODE NOT INCLUDED	DZ
BARCODE_QUALITY	BQ - Mail Piece has Poor Barcode Quality	BQ
MANIFEST_QUALITY	MQ - Mail Piece has Poor Manifest Data Quality	MQ
ADDRESS_QUALITY	AQ - Mail Piece has Poor Address Quality	AQ
PACKAGE_CORRECT	PC - Mail Piece is a Compliant Package (No Compliant Issues to Report)	PC
CORRECTED_BY_MAILER	Piece was corrected by mailer	OK



Non-Compliance Code	Report Code
SF, BF	1
DZ, SF, BF	2
BF	3
DZ	4
DZ, BF	5
UN, DZ	6
UN, DZ, BF	7
UN, DZ, SF, BF	8
SF	9
DZ, SF	10
UN, DZ, SF	11
UN, SF	12
UN, BF	13
UN	14
UN, SF, BF	15

Non-Compliance Code	Report Code
OK	16
BQ	17
MQ	18
AQ	19
PC	20
UN, BQ	23
UN, AQ	24
DZ, BQ	25
DZ, MQ	26
SF, BQ	27
SF, MQ	28
SF, AQ	29
BF, MQ	30
BF, AQ	31

Non-Compliance Code	Report Code
BQ, MQ	32
BQ, AQ	33
MQ, AQ	34
UN, DZ, BQ	35
UN, SF, BQ	36
UN, SF, AQ	37
UN, BF, AQ	38
UN, BQ, AQ	39
DZ, SF, BQ	40
DZ, SF, MQ	41
DZ, BF, MQ	42
DZ, BQ, MQ	43
SF, BF, MQ	44
SF, BF, AQ	45
SF, BQ, MQ	46

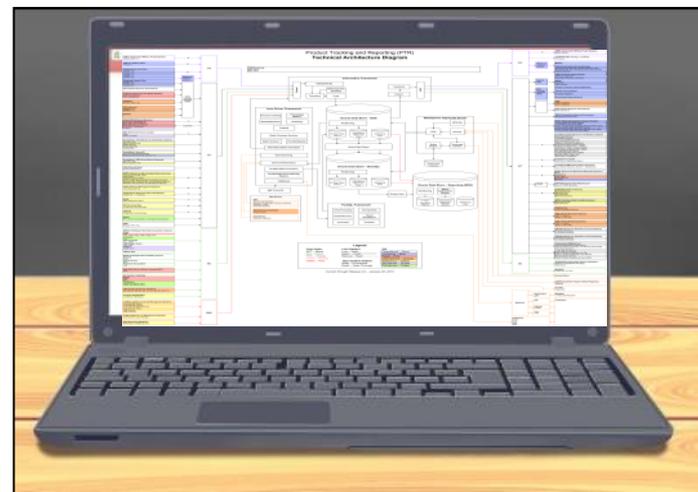
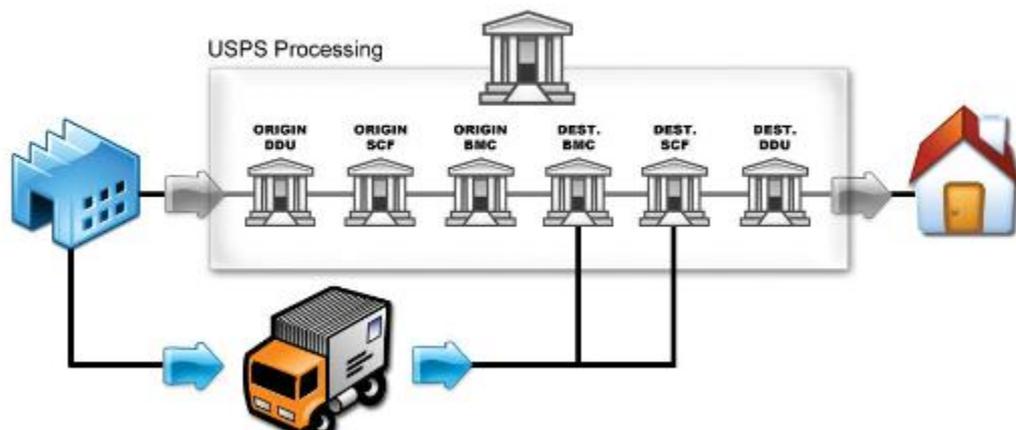
Non-Compliance Code	Report Code
SF, BQ, AQ	47
SF, MQ, AQ	48
BF, MQ, AQ	49
BQ, MQ, AQ	50
UN, DZ, SF, BQ	51
UN, SF, BF, AQ	52
UN, SF, BQ, AQ	53
DZ, SF, BF, MQ	54
DZ, SF, BQ, MQ	55
SF, BF, MQ, AQ	56
SF, BQ, MQ, AQ	57

 **Indicates Compliant Packages**

PTR processes events in real-time, the IMpb assessment varies if the customer is eVS or a Non-eVS mailer

- 1 eVS Mailers: The final IMpb Compliance is assessed at midnight local time of the Arrival at Unit (AAU) / 07 Event
- 2 Non-eVS Mailer: The final IMpb Compliance code is assessed at the time of mailing / when PTR received the Manifest Event (MA)

PTR Real Time Processing



Only Competitive Mail Classes are currently being assessed IMpb Compliance:

Parcel Select Lightweight (LW)
Parcel Select (PS)
First Class (FC)
Priority Mail (PM)
Priority Mail Express (EX)
Standard Post (BP)

IMpb Quality Target Thresholds

Competitive Products Only

IMpb Quality Compliance Category	Target Threshold			
	Jul 2016	Jan 2017	Jul 2017	Jan 2018
Destination Delivery Address (AQ)	89%	91%	Collaborate with Industry Task Team on 2017 and 2018 threshold values	
Shipping Services File (MQ)	91%	93%		
IMpb Barcode (BQ)	95%	96%		

IMpb Compliance thresholds are assessed in two separate steps:

1 Core Compliance Validations:

- The Core Validations are assessed individually by report code



2 Quality Compliance Validations:

- The Quality Validations will be assessed on the lowest performing metrics by class of mail



(Each of the buckets are broken down by Class of Mail)

Package 92001901558801000186903220 has a IMpb Report Code of 38 (UN, BF, AQ)

1 Core Compliance Validations:



2 Quality Compliance Validations:



(Each of the buckets are broken down by Class of Mail)

Package 92001901558801000186903221 has a IMpb Report Code of 26 (DZ, MQ)

1 Core Compliance Validations:



2 Quality Compliance Validations:



(Each of the buckets are broken down by Class of Mail)

A Mailer ships 100 Parcel Select Lightweight packages with the following breakdown:

Report Code	Compliance Code	Volume
20	PC	46
17	BQ	3
19	AQ	12
23	BQ, AQ	5
16	OK	25
6	UN, DZ	3
18	MQ	4
32	BQ, MQ	2
Total		100

Core Compliance Validations:

Target 97%



3

Target 99%



0

Target 98%



3

Quality Compliance Validations:

Target 89%



17

Target 91%



6

Target 95%



10



71

A Mailer ships 100 Parcel Select Lightweight packages with the following breakdown:

Report Code	Compliance Code	Volume
20	PC	46
17	BQ	3
19	AQ	12
23	BQ, AQ	5
16	OK	25
6	UN, DZ	3
18	MQ	4
32	BQ, MQ	2
Total		100

Core Compliance Validations:

Target 97%



97%

Target 99%



100%

Target 98%



97%

Quality Compliance Validations:

Target 89%



83%

Target 91%



94%

Target 95%



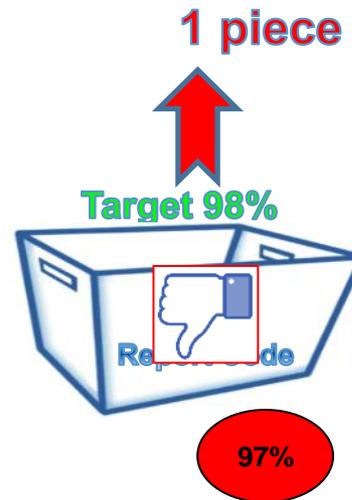
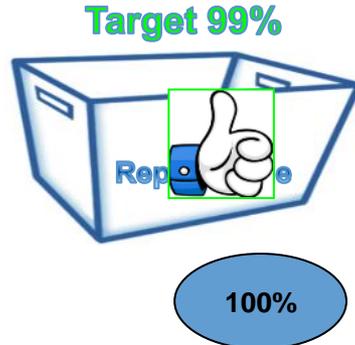
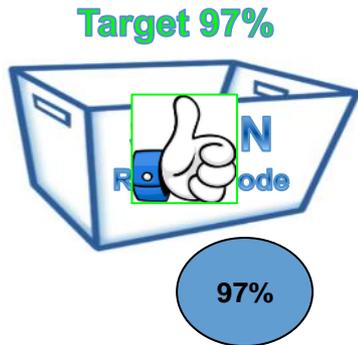
90%



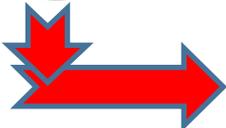
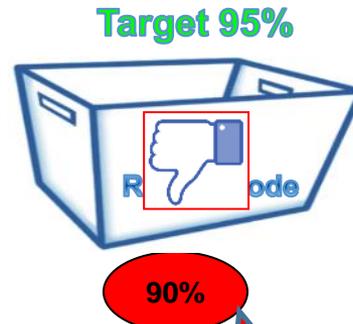
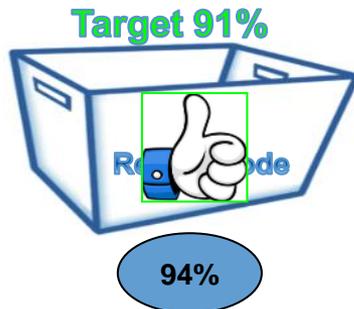
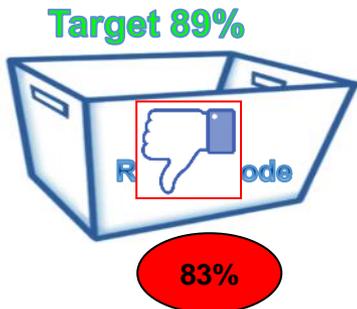
71%

A Mailer ships 100 Parcel Select Lightweight packages with the following breakdown:

Core Compliance Validations:



Quality Compliance Validations:



6 pieces fall under threshold



5 pieces fall under threshold

To prevent any chance of double charging customers, a mailer will only be liable to pay the fee associated to the largest compliance code offender (for each Class of Mail).

The DZ falls out since its not the highest poor performing metric

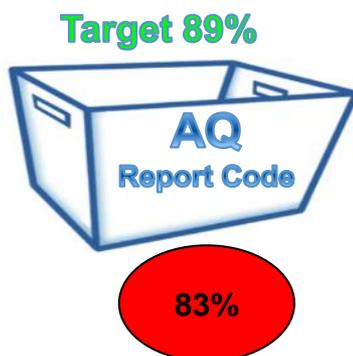


1 piece falls under threshold

The BQ falls out since its not the highest poor performing metric



5 pieces fall under threshold



Final Compliance Assessment:
6 pieces fall under threshold and mailer will be charged \$1.20 for this Class of Mail

**Industry
Questions or
Feedback?**

1. Implementation approach for IMpb Compliance Quality Metrics.
2. Pace of implementation;
3. Address requirements for delivery point validation that is higher letter and flat mail;
4. Ability to reach threshold levels proposed in out years;
5. High number of items included in the quality validations;
6. Duplicate assessments for the same error;
7. Lack of actionable data;
8. Communication plans to reach smaller customers; and,
9. Assessments for items that have no apparent negative impact on the Postal Service's effectiveness or revenue.

- ❑ IMpb Non-compliance Fee assessments
- ❑ Postage payment and revenue assurance
- ❑ Operational efficiencies
- ❑ Visibility and the customer experience