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| <b>Meeting Title:</b>        | MTAC Work Group 178  |              |                   |
| <b>Meeting Objective(s):</b> | Weekly Meeting with Industry   |              |                   |
| <b>Date:</b>                 | 5/13/2016  | <b>Time:</b> | 11:30-12:30 am ET |
| <b>Location:</b>             | WebEx/Juliaann's Conference Room   |              |                   |
| <b>Attendees:</b>            | Alvin Serrano, Bert Hamilton, Bryan Buri, Charlie Johnston, Chris Liebe, D Kennedy, DeWitt Crawford, Doug Ferguson, Ed Wanta, Gary Rogan, Henry Chau, Jaclyn Tubbin, Jim Wilson, John Medeiros, John Papp, Juliaann Hess, Mark Riffey, Monica Lundquist, Oscar Vazquez, Randy Randall, Sharon Harrison, Vicki Bosch, Wendy Smith, Maura Lowell, Paige Eckard |              |                   |

| <b>Agenda Item</b> | <b>Topic</b>                  | <b>Minutes</b>   |
|--------------------|-------------------------------|--|
| 1.                 | <b>Review of Action Items</b> | <p><b>Analyze the AQ performance data to exclude the best and worst performers, regardless of volume.</b></p> <ul style="list-style-type: none"> <li>The original average performance AQ metric for Industry was 89.22%. When the highest performing and lowest performing mailers were dropped from the average, the performance came to be 89.51%.</li> <li>USPS also analyzed the data of dropping the highest volume customer with the best performance and the highest volume customer with the worst performance, and the performance dropped slightly from 89.22% to 88.97%.</li> <li>The analysis is based off the original 15 elements assessed for AQ. If USPS did analysis on the 4 proposed validations then the percentage of performance would improve.</li> <li><b>ACTION:</b> USPS to provide performance analysis of dropping highest and lowest performing customers.</li> <li>Industry is concerned that USPS is setting the threshold too close to the average.</li> </ul> <p><b>Send the national averages with those addresses that match to the DPV and S&amp;N events and to include achievable thresholds for AQ.</b></p> <ul style="list-style-type: none"> <li>Jim Wilson provided a data report that shows how mailing industry overall is performing with address quality. Jim Wilson provided data USPS received from NCOA link licensees monthly.</li> <li>In 2015, USPS processed over 1.3 trillion address records through NCOA link.</li> <li>USPS saw an average of 91.5% of delivery points validated as Y, meaning all delivery information was present. 1.62% came up with DPV of S, meaning information about secondary was either not needed or did not match to the data file. Return code D is where we match to a high rise record and the secondary number is needed to identify the delivery point – 5% of time USPS saw that secondary information was not needed.</li> <li>Per Sharon Harrison, AT&amp;T is looking at why package information is different from letter/flat AQ comparison. They are finding that the type of customers that they serve have more complex of address components.</li> </ul> |

| Agenda Item | Topic                    | Minutes  |
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|             |                          | <ul style="list-style-type: none"> <li>• AT&amp;T has a lot of processes around AQ. For letters and flats, they are only seeing a 6% return.</li> <li>• Per Jim Wilson, Industry should be careful not to connect return codes with AQ. The difference is between what is presented on the package versus in the manifest.</li> <li>• Wendy Smith is seeing a higher delivery with letters as opposed to parcels. They are still trying to understand the return codes. Industry will not see returns with the standard mail.</li> </ul>   |
| 2.          | <b>Industry feedback</b> | <ul style="list-style-type: none"> <li>• USPS does not see challenges in meeting metrics as many customers are hitting the target. USPS analyzed a small group that represents 80% of the volume (includes 20 customers).</li> <li>• USPS looked at customers that are at next strata down and did not see significant changes. The threshold is well represented of the majority of mailers. Mailers that are failing are failing by a lot, rather than just by a little.</li> <li>• Oscar Vazquez posed the question to USPS to look at performance of direct inject customers as opposed to that of consolidators. The work group includes direct inject customers in discussions and they are held to the same standard as the rest of the group. Oscar's request was to understand if USPS was able to achieve the thresholds with End-to-End mailers.</li> </ul> <p><b>Missing Secondary Information in AQ</b></p> <ul style="list-style-type: none"> <li>• The AACC and the S DPV are synonymous. USPS eliminated AACC from AQ validations.</li> <li>• The AANI and the D DPV are synonymous. Instance where the AAN1 unit in high rise doesn't not match that data in USPS will default and show up in the metric.</li> <li>• USPS identified an error of matching the 11 digit to more than 1 address. If the 11 digit matches to more than 1 address than mailers will not be charged.</li> <li>• There are different ways customers can provide address information. Some customers, such as AT&amp;T, only provide the 11 digit DPV. The requirement is to provide either / or the 11 digit DPV or the address information. There is potential for false positives if multiple addresses match to the 11 digit.</li> <li>• Steve Belmonte has google mapped locations that show high rises, suggesting that USPS directory could be incorrect. Per Jim Wilson, if it is not in the USPS directory that it would not be a high rise in USPS' consideration.</li> <li>• Per Oscar Vazquez, UPS has a list of high rises that have a package room to accept packages. He questions why Industry needs the 11 digit if the package is sufficiently getting to the address.</li> <li>• USPS uses the 11 digit for other functionalities and features to enhance the customer experience. Industry's main concern is that the package is delivered rather than the features USPS is utilizing.</li> <li>• Per Wendy Smith, there are many scenarios where letters receive a return code of D and the last 2 digits default to 99. She believes that this is not helpful to understand the delivery address information. Industry wants to know how to fix the address information.</li> </ul> <p><b>Thresholds for 2016</b></p> <ul style="list-style-type: none"> <li>• Industry is concerned that USPS arbitrarily set 2016 thresholds. USPS set threshold level based on performance at that time. The group may need to agree to disagree.</li> <li>• The goal of Work Group 178 is to establish rules for 2017 and 2018.</li> </ul> |

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|             |       | <ul style="list-style-type: none"> <li>• Industry believes the charter is open for discussion and feels as though there is an oversight that the thresholds are limited for 2016.</li> <li>• As a whole, most of Industry is meeting the thresholds.</li> <li>• USPS has not considered trends of thresholds based on the validations proposed to be assessed.</li> <li>• <b>ACTION:</b> USPS to provide the threshold performance metrics for the 10 proposed quality validations.</li> </ul> <p><b>USPS proposed 10 validations for quality assessment</b></p> <ul style="list-style-type: none"> <li>• Richard Porras believe that 10 is still too many to judge quality upon.</li> <li>• Industry appreciates that the AACC validation was dropped from AQ. USPS decided to drop this because 96% of those did not need information that was being dropped.</li> <li>• Industry generally has no issues with MQ and BQ but rather with AQ validations. Sharon Harrison proposed that USPS drop the missing secondary information validation from AQ and focus on the street number and primary indications for packages on the initial rollout come July. Industry needs to understand the S and D code returns and work to improve this process on their own.</li> <li>• Sharon Harrison stated she does not have valid data to set a threshold.</li> <li>• Industry is concerned with the AQ items. They are proposing that USPS defer assessing AQ for compliance until there is a deeper dive into it. If this was pushed out, discussion occurred around thresholds staying as proposed.</li> <li>• USPS talked about recasting performance based on the 10 proposed validations.</li> <li>• If the N1 element was removed from AQ, Industry is more willing to keep the 89% threshold.</li> <li>• <b>ACTION:</b> USPS to consider removing the N1 validation from AQ. Jim Wilson to provide analysis on scenarios of relieving the N1 conditions.</li> <li>• Industry is continuously understanding penalties unintentionally and learning the process for compliance. For example, UPS included secondary information on the package but realized they were not importing address line 2 when they looked at the data. Until Industry works through data on their own and understands root causes, they propose to postpone the thresholds.</li> <li>• USPS is changing business rules soon to change the validations of quality assessment.</li> <li>• <b>ACTION:</b> Industry to send email to USPS with any specific complaints.</li> <li>• If the Work Group does not come to consensus, then it will be communicated in the final write-up.</li> </ul> |

**Action Items:**

| <b>Action Item</b> | <b>Description</b>  | <b>Action Item Owner</b> |
|--------------------|---|--------------------------|
|                    |   |                          |
| 1.                 | Provide the threshold performance metrics for the 10 proposed quality validations so that Industry can see how their performance would change with the reduction. | USPS                     |
| 2.                 | Consider removing the N1 validation from AQ. Jim Wilson to provide analysis on scenarios of relieving the N1 conditions.  | USPS                     |
| 3.                 | Provide additional feedback/concerns regarding proposals to USPS.   | Industry                 |