

# MTAC Work Group #178

Objective: Discussion

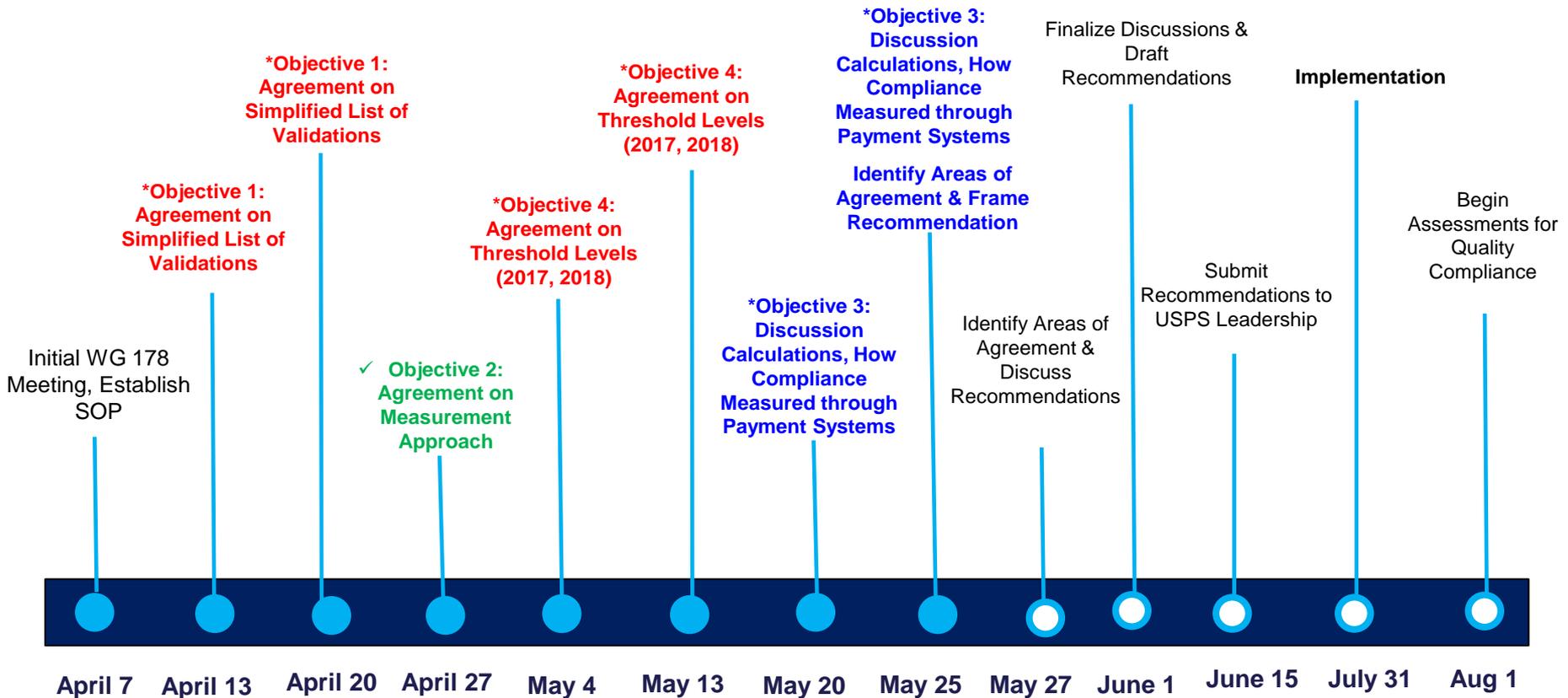
Calculations, How Compliance Measured through  
Payment Systems

Wednesday, June 1, 2016



- **Introduction**
- **Timeline**
- **Action Items**
- **Objectives:**
  - **Discussion Calculations, How Compliance Measured through Payment Systems**
  - **Identify Areas of Agreement & Frame Recommendation**
- **Walk-on Discussion Topics**
- **Questions/Feedback/Discussion**





\*Work Group agreed on 5/20 to extend the time of the weekly meetings to 90 minutes until submission of recommendations

Action Item	Description	Owner	Status
1.	Include John Medeiros' feedback of USPS duplicate assessments in eVS and IMpb quality for then incorrect ZIP Code in the entry facility (Entry Facility Mismatch)	USPS	Completed
2.	Continue to provide feedback to USPS	Industry	Ongoing
3.	Look into a way to reveal IMpb Quality Non-Compliance fees without charging the assessment and without impacting the three IMpb assessed categories already in place.	USPS	In Progress
4.	Provide performance trends for only the proposed validations.	USPS	In Progress

# Objective: Discussion Calculations, How Compliance Measured through Payment Systems



- USPS is setting the threshold too close to the average.
- USPS arbitrarily sets 2016 thresholds.
- Until Industry works through data on their own and understands root causes, they propose to postpone the thresholds.
- 10 validations is still too many to judge quality.
- Generally, no issues with MQ and BQ but rather with AQ validations.
- 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.
- Need more clarification of the S and D code returns and work to improve this process on their own.
- If the N1 element was removed from AQ, Industry is more willing to keep the 89% threshold

## Evaluating operational impacts.

- Not in favor of keeping the AACC.
- Industry is concerned about the scenario where the delivery address is residential and there is no way for them to obtain secondary information from USPS due to privacy issues.
- Industry has no way to know if an address requires secondary information or not.
- The MQ validations should already be resolved during testing when Industry converts to IMpb and goes through certification. These should not be issues after that process.
- Concern about duplicate assessments in eVS and IMpb quality. An example of this is a bad ZIP for destination entry facility (warning #46). USPS assessing duplicates of the incorrect ZIP Code in the entry facility.
- Industry would like more conversation around automated discounts in regards to how thresholds are established.
- Some of the proposed assessments cannot be performed in the address matching quality software that Industry is using.

- Industry does not agree on the AQ for address compliance.
- USPS should identify the feasibility and cost to automate the process to provide a summary IMpb Compliance Assessment, to include by mail class and by aggregate.
  - Assess IMpb Non-Compliance Fee based on the lower number of non-compliant pieces (USPS comment: for eVS only)
- There needs to be more discussion on how USPS is gathering the data.
- USPS needs consistency between shipping letters/flats and packages. Industry does not have this experience and they need more time to research.
- Concern about being held to a standard that does not exist in the mailing industry today. Everyone supports address quality but the speed and higher standard is where there is push back.
- They do not support assessing mailers when USPS does not give them time to assess their own performance.

- Industry will need to invest resources and time into investigating the errors that seem costly.
- It would be beneficial for make sure the data is correct first, then allow Industry 90 days to look at internal processes and make any operational changes.
- It would be helpful for USPS to share those mailers that score high on AQ. Industry can then share current processes that are helping high performers.
- The July 2016 timeline is aggressive. There could be large shippers using vendor software that are skewing the numbers.
- The validation assessment is happening very quick and does not give Industry time to become knowledgeable. Timing concerns can be addressed in the thresholds.
- Use quality metrics only instead of quality metrics and existing metrics.

## IMpb Quality Target Thresholds Competitive Products\* Only

IMpb Quality Compliance Category	Actual Performance				Target Threshold			
	Jan 2016	Feb 2016	Mar 2016	Apr 2016	Jul 2016	Jan 2017	Jul 2017	Jan 2018
Destination Delivery Address (AQ)	90.63%	88.87%	88.91%	89.22%	89%			
	-----	-----	-----	-----				
	92.70%	90.65%	91.18%	91.40%				
	+2.07%	+1.78%	+2.27%	+2.18%				
Shipping Services File (MQ)	92.90%	91.37%	92.98%	91.78%	91%			
	-----	-----	-----	-----				
	96.15%	94.88%	95.13%	95.88%				
	+3.25%	+3.51%	+2.15%	+4.1%				
IMpb Barcode (BQ)	93.87%	95.28%	97.53%	98.36%	95%			
	-----	-----	-----	-----				
	94.74%	96.04%	98.69%	99.05%				
	+0.87%	+0.76%	+1.16%	+0.69%				

## Address Quality (AQ) – 4 Validation Combinations

## Manifest Quality (MQ) – 4 Validation Combinations

- ✓ *USPS dropped 11 Validation Combinations from the Original List of 15*

DPV Footnotes	Volume	% of Total Volume
Missing Secondary Information (i.e., no Apartment or Suite Number)	12,367,412	4.18%*
Missing Street Number	5,845,399	1.97%
Unable to Match Address to a ZIP+4 Code	5,575,827	1.88%
Invalid Primary Street Number	1,292,251	0.44%

- ✓ *USPS dropped 36 Validation Combinations from the Original List of 40*

PTR Warning #	PTR Error/Warning Message	Volume	% of Total Volume	PTR Indicator
1	MQ Entry Facility Mismatch - Entry Facility Does Not Match Manifest File	5,780,071	1.95%	MQ
136	Invalid PO of account Zip Code	5,857,555	1.98%	MQ
193	Invalid Method of Payment	2,797,533	0.94%	MQ
1535	Invalid Payment account number	5,735,548	1.94%	MQ

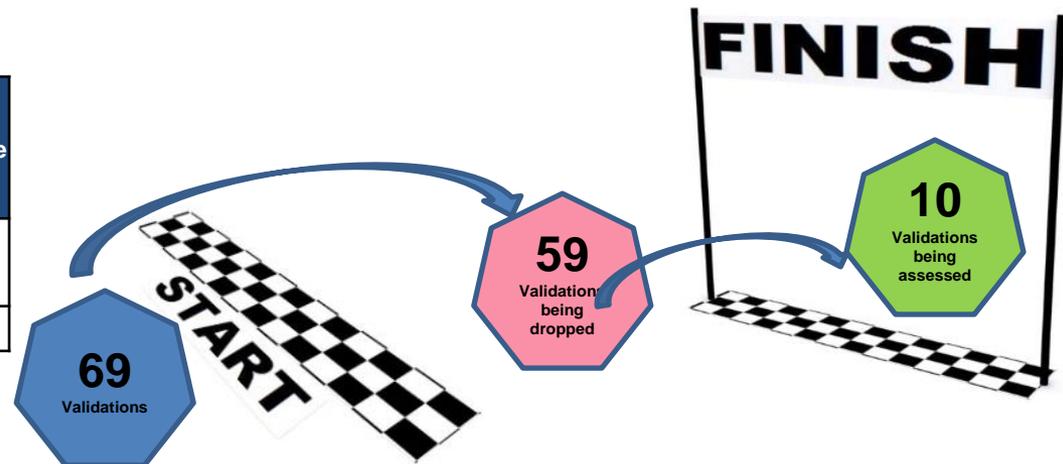
## Barcode Quality (BQ) – 2 Validation Combinations\*

- ✓ *USPS dropped 12 Validation Combinations from the Original List of 14*

PTR Warning #	PTR Error/Warning Message	PTR Indicator	Volume	% of Volume
66	Duplicate Tracking Numbers on Multiple Packages	BQ	1,522,889	0.51%
50	Invalid MID in PIC	BQ	2,372,063	0.80%

\*Evaluating operational impacts.

\*\*March Data





**Discussion &  
Questions**