

**MTAC Focus Group Meetings  
February 15, 2012**

**Standard Mail  
Key Comments and Questions**

**Wanda Senne, MTAC Industry Leader for Standard Mail**

*USPS Industry Engagement & Outreach Facilitator: Kathy Kamen*

**FG 3: Payment / Acceptance 12:20 pm – 1:15 pm**

**Pritha Mehra, VP, Mail Entry and Payment Technology, USPS**

**Dale Miller, MTAC Industry Leader for Acceptance**

**Angelo Anagnostopoulos, MTAC Industry Leader for Payment**

*USPS Industry Engagement & Outreach Facilitator for Payment/Acceptance: Anthony Frost and Tonya Dodson*

**Discussion notes:**

1. Update on Seamless Acceptance – proof of concept is still being developed due to unforeseen issues.
2. Overview and status for the 2/12/2012 PostalOne! Performance Patch Release 29.0.3.4. One industry member gave extremely positive feedback on new 'Cancel Statement' capability; others emphasized that changes from 29.0 to 29.0.3.4 have made it easier and more convenient for Industry to request, initiate and manage Mailer ID (MID) and Customer Registration IS (CRID). Although the patch corrected several known performance issues in Release 29.0, several critical issues remain unresolved:
  - a. Mixed-class co-mail off-shore pallet data management
  - b. Periodicals bundle and container mismatches
  - c. MicroStrategy 'By/For' errors and inaccuracy
  - d. Return address and authorization number mismatches regarding non-profit mailingsNo major PostalOne! releases will be made during peak season or during a price change.
3. Enterprise Payment initiative is in Business Case process awaiting a go/no-go; initiative is on hold.
4. Mail Anywhere update – the initiative's target customer segment is Full Service mailers who are 90% or more First-Class and Standard mailers. Initiative is still in the requirements and software writing stage; development expectation is to be able to run some test scenarios in April 2012.
5. Network Optimization – will train the BMEs to support customers.

6. Incentives / promotion –
  - a. 2% discount for Mobile promotion.
  - b. Non-profits are eligible.
  - c. Verification – sample prior to mailing, random sampling, and scanning the code on the mailing piece.
  - d. Need to determine the actual postage value. Goal is to give the discount up front rather than give refunds. Recommendation is to give a lower postage value than currently allowed. The customer would owe additional money at BMEU. Will file with the Postal Regulatory Commission (PRC) on 2/17/12.
  - e. Qualifications for promotion – mobile commerce, personalization (unique website/page).
  - f. No cap.
  - g. Mailers can participate if they break down mail participating in the promotion.
  - h. Important to use the program as intended – making mail more relevant, increasing value of direct mail. Can use resident if it is directed to a unique website.
  
7. In response to January issues with price change release, major change releases will be in January and June (requires software changes); minor releases in April and October (maintenance, enhancements).

**Action Items:**

- Develop Task Team to investigate reasons for un-manifested pieces within mailings, and determine whether those pieces are/were paid for. Agreed to use Mail Data Quality (MDQ) information to conduct the investigation.
  - Develop Task Team to investigate why there is mail that should be included as Full Service (FS) but doesn't fit FS requirements.
  - Will work on how to deliver discounts between cycles and get back to the industry.
  - For smaller companies with 2-3 MIDDs with other companies, question raised whether there is any way to change MIDs and CRIDs – feedback is required to make changes to accommodate this issue.
  - Issue raised regarding the nonprofit requirement for strict matching in PostalOne! compared to a return address – Payment/Acceptance team will follow up.
-

## **FG 6: Visibility / Service Performance 1:25 pm – 2:20 pm**

**Jim Cochrane, VP, Product Information, USPS**

**Lisa Bowes, MTAC Industry Leader for Service Performance**

*USPS Industry Engagement & Outreach Facilitator for Visibility/Service Performance: Paula McCollum and Neena Dhuria*

### **Discussion notes:**

1. Detailed overview/demonstration of Service Performance Diagnostics tool. Nationally have 33% of standard mail in measurement – if not in full service, not being measured. Industry interested in seeing aggregate data (by region) – currently quarterly reporting is the norm, need to change this. Also, currently a one-week delay in reporting. Experimenting with providing industry glimpse of scores.
2. Issues with poor delivery were caused by process issues (lost FIFO, retrofitting sorters, process problems, 46 new FSS machines, etc.). However, standard mail delivery has substantially improved over last few weeks/months as data from Service Performance Diagnostics tool is used to improve performance – was always reported, but can now tell plants what/why/how to fix issues. Everyone has been trained on using this tool; Lean Six Sigma processes are being used.
3. Scan rate on letters is 96%, and 20% on flats – only 20% of flats are PDR/IMR. PBC (piece bar code) is better as carrier bundles can be included and scanned. Industry needs to get to PDR but PBC will be better.
4. In-home dates problematic – data on in-home dates is a band-aid for bad service. As better/more consistent service is provided, in-home dates will become less important. Can potentially use Service Diagnostics Tool to let printers know if they should include more time/days in their process.

### **Action Items:**

- **USPS requested ideas from industry to help with adoption of full service.**
- 

## **FG 9: Preparation & Entry (Operations) 2:30 pm – 3:25 pm**

**Dave Williams, VP, Network Operations, USPS**

**Todd Black, MTAC Industry Leader for Entry and Preparation**

*USPS Industry Engagement & Outreach Facilitator for Prep & Entry: Margaret Pepe*

### **Discussion notes:**

1. POAC (Periodicals Operations Advisory Committee) model used conversations rather than presentations, the content was rich, and actionable

learnings came out of that group. The MTAC Focus Group tracks hope to accomplish the same.

2. Regarding network rationalization and potential facility closing/consolidation, no major implementation during holiday/peak mailing season. Industry defines holiday season as mid August to the end of the year (and can vary by class of mail), thus concerned with timing of closings because USPS defines holiday season as Sept through EOY.
3. Regarding implementation: if service standards change, there will be one structural change at a time. Each processing location will start implementation in a different way depending on specific circumstances (gaining or losing facility, consolidation, etc.). Implementation time will vary – sites will determine on a case-by-case basis how long they need. Transition includes moving equipment, moving fleet, changing transportation contracts, electrical upgrades, facility modifications, movement of people, label lists etc. During transition, will synchronize mail movement to ensure minimum distractions and successful consolidation.
4. Major plant or equipment failure will not cause problems even if more processing is done at fewer plants, as there are continuity of operations plans. There is capacity available (excess equipment and building infrastructure).
5. Discrepancies between number of AMP plants being studied and what was announced in Sept 2011 is result of “moving parts” – some AMP studies were in process prior to Sept 2011.
6. Mail redirects – lead time vs. mail redirect:
  - In January the policy changed to updating labeling lists 6x/yr
  - Working to stabilize system issues with Postal One
  - Schedule is posted on RIBBS
7. FAST window – number of dock doors and the platform threshold being evaluated to determine the number of trips a facility can handle. Working to establish business rules that are capacity-driven.
8. Discussion around e-induction / seamless acceptance.
9. Discussion around FSS issues involving tearing covers and pricing of products to zone rates. USPS working to stabilize machines and volume on machines.
10. Realignment to Mail Transport Equipment (MTE) – as buildings shut down, more MTE will free up. Ability to handle MTE stored outside – 5-6 hours extended to 16-20 hour operating window – machine platforms process more mail more quickly – not storing it or waiting for it to start up a machine. Can

use end-of-run data to predict MTE needs – plan to have enough space and capacity to handle it.

**Action Items:**

- Are marketing parcels a USPS process category?
- Postage statements and PS 8125 don't match.
- Industry asked for business rules on stock – binding, pages, weight etc. Agreed that a planning guide for industry would be more beneficial than creating rules.

---

**FG 16: Product Development 3:35 pm – 4:30 pm**

**Gary Reblin, VP, Domestic Products, USPS**

**Rose Flanagan, MTAC Industry Leader for Mail Pc Design/Prod Devel**

*USPS Industry Engagement & Outreach Facilitator for Product Development: Jamie McHenry*

**Discussion overview:**

- Product rollout
- EDDM
- PO Box Alternative Address initiative
- Promotions

**Discussion notes:**

1. Before rolling out products, USPS must think about potential implementation problems for the industry and collaborate with them beforehand to avoid negative impacts. Adopt model approach used for folded self-mailers.
2. EDDM – will be reaching out to printers to get partnerships. Received some negative feedback on EDDM. If entered at retail, there is a threshold; however, if entered at the BMEU, no threshold requirement.
3. PO Box Alternative Address initiative is still considered a huge issue. Product release was not fully discussed with industry prior to release. Concerns:
  - a. Data compilers and identification
  - b. Unknown address format not identified on the piece
  - c. Can orders be shipped
  - d. Package returns due to unknown format
  - e. Security and fraud issues
4. Promotions –
  - a. Summer sale was not intended as a long-term solution to increase use of Direct Mail.

- b. Discount promotions using technology will be the focus; USPS trying to put something together with mobile shopping; target month is November 2012.
  - c. Would not promote long-term growth to add promotion just during election time for election mail.
  - d. USPS plans to go to the PRC once – at the beginning of the year – for approval on all programs for that year.
  - e. Some mailers mail 90% of their volume between Dec – Mar, so incentives in July won't benefit them. USPS tries new things during slack mail times, and has to consider summer months because they are "down time" – attempting to increase volume during this season.
5. Discussed concept of 'Personalized Postal Portal' to link US citizens with a piece of mail – i.e., personal portal on the internet where people could log in to see what is coming to their homes before it arrives. USPS developing a digital strategy and exploring possibilities.
  6. QR Codes – looking at ways to link social media to augmented reality.
  7. Marketing parcels - inconsistencies from one category to another
  8. Picture Product Indicia – USPS is moving forward (Board of Governors in March). Looking at all classes and discussing eligibility.

**Action Items:**

- Escalate PO Box Alternative Address initiative issues to USPS executive management again, based on continuing industry concern.
- Newspapers getting into solo mail. USPS has not reached out to newspapers as printers. Follow up on upcoming promotions that may impact newspaper industry.
- Newsletter responses have to go back through email due to issues with Reply Mail. If Reply Mail responses could be simplified – similar to what was done with a greeting card company so the return piece is paid on the way back – it would increase the value of mail. Follow up.
- Feasibility of offering discounts on parcels shipping out from the promotion – good idea and working on it, but need to figure out how to do it within the current law/structure.
- Could USPS explore discounts on fulfillment products for items which have been purchased using the mobile barcode? Have to consider feasibility.
- Issue/concern: requiring submission of a sample for the Picture Indicia – however, can't hold a printing press for approval. Also, a mail piece out of TX did not appear to meet all current rules. Industry will forward a sample of the piece in question.

**Agenda Items:**

- Bring Cliff Rucker (USPS VP, Sales) to the next meeting to discuss Guaranteed Direct Mail program
- Potential return product (similar to that used by greeting card company)
- Post Office Box Street Address (if needed)