

MTAC Focus Group Sessions
May 16, 2012

First-Class Mail
Focus Group Session Notes

Sharon Harrison, MTAC Industry Leader for First-Class Mail

USPS Industry Engagement & Outreach Facilitator for First-Class Mail: Lewis Johnson

FG 1: Preparation & Entry (Operations) 9:00 am – 10:30 am

Dave Williams, VP, Network Operations, USPS

Todd Black, MTAC Industry Leader for Entry and Preparation

USPS Industry Engagement & Outreach Facilitator for Preparation & Entry: Margaret Pepe

1. Update on action items from last meeting

- Structured release schedule webinars were held on March 13 and May 2, 2012. Presentation is posted on RIBBS.
- Posted web-based service standards maps on RIBBS on March 30, 2012.
- Mail Transport Equipment (MTE) informational webinar conducted on May 14, 2012. Presentation is posted on RIBBS.
- Joint USPS/Industry Steering Committee is being established to explore efficiencies, costs, and value-added opportunities for mail preparation and entry. Representatives from all classes of mail will be included.

2. Service performance

- Graph presented to show that performance levels for all classes of mail are at all-time highs.
- Diagnostic data from IMb Full Service contributed to overall service performance.
- Suggestion made to share performance levels with industry to promote service achievements.

3. Status of network rationalization

- Received 101 written comments in response to the Proposed Rule on Revised Service Standards for Market-Dominant Products published on December 15, 2011, in the *Federal Register*.
- PMG expected to make a Network Rationalization announcement on May 17, 2012; an *Industry Alert* will be sent as follow-up.
- Final business rules will include Critical Entry Times (CET) and point-to-point Service Standard directory. *Federal Register* is expected to publish the Final Rule on Revised Service Standards for Market-Dominant Products during the week of May 21, 2012.

4. Discussion notes:

- Customer Supplier Agreement (CSA) changes, timeline. Current CSA process allows for a 15-day approval and changes aren't clearly identified. Suggestion made to establish a report to identify CSA changes and streamline the CSA approval process.
- Areas are now including and reaching out to First-Class mailers to participate in the area focus groups. Area focus group schedules and leaders are posted on the RIBBS website (on the MTAC page, under the "Non-MTAC Information and USPS Contacts" bar at the bottom of the page).
- Continuing issues with the *PostalOne!* system. Improvements are needed to stabilize system before IMb Full Service is fully implemented. Key areas: reporting, visibility and ease of use.

- Will the Final Rule (on revised service standards for market-dominant products) impact remittance mailers? The Final Rule addresses the concerns expressed by remittance and financial mailers by describing how machine operations will expand to 20 hours per day for remittance mail.
- How should Industry/supply chain communicate to USPS on service standard issues? USPS will put together a process for feedback.

Action Items:

1. **Frank Neri** (USPS) will develop a strawman for Industry/supply chain/customers to provide feedback on service issues and anticipated concerns as USPS moves forward with network rationalization implementation.
2. Input, feedback and enhancements ideas regarding the zone maps should be submitted to **Shibani Gambhir** (USPS).
3. As follow-up with Industry after the Final Rule is published in the *Federal Register*, **Dave Williams** (USPS) will conduct a webinar on network rationalization.
4. **Sharon Harrison** and **Todd Black** (both Industry) will canvass the First-Class Mail association members for input regarding mail preparation and entry opportunities.
5. Provide information at next focus group on Remittance Mail Focus committees.
6. Customer Supplier Agreement (CSA) suggestions can be sent to **Krista Finazzo** (USPS), who will share with **Pritha Mehra** (USPS) for consideration.

FG 8: Product Development 10:45 am – 12:15 pm

Gary Reblin, VP, Domestic Products, USPS

Rose Flanagan, MTAC Industry Leader for Mail Piece Design/Prod. Devel.

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

Discussion notes:

1. PO Box Alternative Street Address (PBSA)

(Kelly Sigmon, VP Channel Access; Nan McKenzie, Mgr Retail Services)

- Five technical solutions identified.
- Election perspective: election boards must have a physical address to assign voting precincts. Without physical address, voter and candidate registrations could be delayed.
- Codes have been in CASS for five years. How does the system “know” that the address is an official PO Box?
- During the Major Mailers’ Association (MMA) conference, members recommended that the Postal Service stop adding new users of PBSA and evaluate what needs to be done with the five technical solutions.
- Survey time has been extended. Industry thanked USPS for the extended deadline.
- Kelly Sigmon doesn’t want the hold on the survey.
- Survey needs to be completed. Was sent to over 30 associations, subsequently to a total of 54 associations. Can common factors be identified and results reported back to Focus Groups/MTAC?
- Mailers said the timing of USPS initiatives is not good for the industry. Can USPS socialize issues with the industry sooner (earlier in the process)?
- Industry was told that PO boxes are not supposed to be used as a physical address, only a mailing address. All disclosures are documented.
- PBSA service will not be put on hold. MTAC Leadership Team will discuss on May 17, 2012. Responses to PBSA survey are due May 22, 2012.

2. First-Class Update

(Gary Reblin; Steve Monteith, Mgr Transactions & Correspondence)

- Good trend – net positive for commercial First-Class mail. First time since 2008 not below SPLY (same period last year).

- Started addressing First-Class mail as a competitive product. Must make product look better – a lot of competition for this mail.
 - Need a unique value proposition for First-Class mail piece.
 - Slow diversion by differentiating hard copy from digital.
 - Embrace new opportunities involving digital and social media.
- 3. 2nd Ounce Free**
(Gary Reblin, Steve Monteith)
- 2nd ounce free is a permanent change, not a promotion.
 - Establish rate for commercial single-piece non-automation letters up to 2 ounces.
 - Share case studies on new ideas/initiatives to grow revenue with Gary Reblin or Sharon Harrison (2nd ounce especially).
- 4. Picture Permit Indicia**
(Gary Reblin, Steve Monteith)
- Live on June 24, 2012 – Picture Permit is a product, not a promotion.
 - Can anything be done on the pricing? Volume pricing for mass users and Negotiated Service Agreements (NSAs) are potential solutions; they are decided on a case by case basis.
 - Survey shows Picture Permit adds value to the mail. Was designed for use with special mailings, not “routine,” everyday mailings.
- 5. 2012-2013 Promotional Calendar**
(Gary Reblin, Steve Monteith)
- Mobile Commerce and Personalization (July - August 2012)
 - Mobile Shopping – under consideration (November 2012, fall mailing season)
 - Coupons – Social Platform/Mobile Redemption (February - March 2013)
 - Earned Value CRM/BRM (May - July 2013)
 - Samples, Emerging Technology (NFC, Augmented Reality), Authentication, Picture Permit (August – September 2013)
 - Buy-it-Now (November – December 2013)
- 6. Promotion Strategy**
- Use short-duration promotion, encourage innovation and increase awareness.
 - Highlight and share best practices with USPS.
 - Customers not ready for mobile promotion with QR Code; may have issues with the promotion due to their own systems. Use this promotion to update systems.
 - USPS should talk to catalogers to gauge their ability to participate in mobile promotions. [This has been done.]
 - Industry needs sufficient lead time for all new products and promotions to allow mailers to provide feedback and determine how to take advantage of new products and promotions
 - Possibly degradation of BRM and CRM service with the mobile and QR Code promotion? USPS acknowledged possibility, but this is how mail is evolving.
 - USPS is studying various ways of tracking growth.
 - USPS will develop a 2013 (calendar year) promotional calendar and send to the PRC for implementation in January 2013.
 - Establish rate for non-automation letters up to 2 oz (in response to F-C Mail customers on 2nd Ounce Free)
 - Are there other ideas USPS should have on the promotion list in 2013 and 2014?
- 7. Secured UAA Destruction**
(Gary Reblin, Steve Monteith)
- Re-evaluated and completed business case – USPS conducting internal review now.
 - Decided to keep shredding process inside USPS.
 - Target 2013 pilot in 5-6 sites. If successful, will fully implement.
 - Working to gain funding.

Action Items:

1. To demonstrate the success of 2nd Ounce Free, share case studies with industry. Industry to provide to USPS, then USPS will share. **(Reblin)**
2. Give industry longer lead times for input prior to announcing new promotions/products. **(Monteith/Tom Foti)**
3. Provide more details for UAA destruction sites; coordinate through **Sharon Harrison** and **Steve Monteith**.
4. Establish work group to address PBSA issues and concerns. **(Reblin and Sigmon to determine)**
5. There is no “commingle” option – USPS working to have a solution by January 2013. Will share solution within two weeks. No need for task team because USPS already working on this issue.
6. Industry: send in new topics to Sharon Harrison and **Gary Reblin**.
7. GoPost was not socialized; causing mailer issues. USPS needs to hear from Industry what the specific problems are.

FG 11: Payment / Acceptance 1:30 pm – 3:00 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*Agenda / Discussion:

1. **PostalOne! Release Schedule:** Pritha Mehra and Frances Byrd (USPS) discussed updates to the *PostalOne!* Release Schedule and the communication plan in place to notify customers of changes and outages.
(https://ribbs.usps.gov/intelligentmail_schedule/releaseoverview2012.htm and https://ribbs.usps.gov/intelligentmail_schedule2013/releaseoverview2013.cfm)
2. **TEM Process / Vendor Certification Process:** Beth Bigelow (for USPS) described the simplified TEM (Test Environment for Mailers) process and Vendor Certification process that is being coordinated with input from MTAC and MSDG (Mailing Software Development Working Group). (Slides 13 – 14)
3. **Help Desk Support:** Open discussion around possible improvements in Help Desk support, communication, and issue tracking. (Slides 40 - 41)
4. **Enterprise Payment:** Pritha Mehra and Frances Byrd provided an update on the Enterprise Payment System and Mail Anywhere/Pay Anywhere (Slides 20 - 22)
5. **Seamless Acceptance:** Marty McGuire (USPS) and Garrett Hoyt (USPS) provided an update on Seamless Acceptance, including a discussion of Participation Criteria and Seamless Verifications. (Slides 23 – 26)
6. **Picture Permit Imprint:** Marty McGuire and Kelly Lorchick (USPS) provided an update and fielded discussion on the Picture Permit Imprint usage and Postage Statements needed. (Slides 38 – 39)

Action Items:

1. **PostalOne! Releases Training/Webinar:** Through *PostalOne!* User Group, discuss need for industry webinar on *PostalOne!* Releases.
2. **Help Desk Ticket Tracking:** Through the *PO!* User Group, discuss possibility of new Help Desk reports, providing feedback by customer/user.

FG 14: Visibility / Service Performance 3:35 pm – 4:45 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***Discussion Notes:**

1. Who is in measurement and who isn't?
Industry reports eDoc and service issues. 30 billion events have been in Full Service; only 8 billion are measured. Using only 60% of First-Class through measurement. It takes over a year to get through the test environment
2. Who is growing? Shrinking? Why? Concern around trying to balance USPS and Industry – way off. Need collective focus on why this is occurring.
3. What does USPS need to do to get mailers ready for 100% Full Service?
Industry would like an IMb FS on every piece of mail. Concerned that Mail Service Providers (MSP) can't register until 2 weeks before Full Service IMb goes live. Request more webinars on pulling the reports using the tool. Want to see the value of the data; unsure of its accuracy.
4. *PostalOne!* challenges continue. eDoc is a struggle in First-Class. Putting the barcode on is easy; the pallet placard is not. If this is driving the wrong behavior, or making two different pallets, need to change it. Why making that many separations? Revisit the rules?

Note: *The majority of the time for this session was spent showing the live Product Visibility system.*

Action Items:

1. Industry requests more webinars on pulling the reports using the tool. Would like to see the report made more user friendly and accurate.
2. VP **Jim Cochrane** will share with VP **Pritha Mehra** the concerns of First-Class mailers regarding the instability of the *PostalOne!* system.