Mail Acceptance Update

May 14, 2013

Mail Eligible for Full-Service

- Effective January 26, 2014, use of Full-Service Intelligent Mail is required to qualify for automation prices for:
  - First-Class Mail® postcards, letters and flats
  - Standard Mail® letters and flats
  - Periodicals letters and flats
  - Bound Printed Matter flats

Full-Service Requirements

- Intelligent Mail Barcode

- Electronic Documentation

- Barcode Uniqueness
  - Exception: < 10,000
- Valid MIDs & CRIDs
- Valid Service Type in Barcode
- By/For Information
  - Exception: < 5000 Pieces
- Valid Entry Facility
- Co-Palletization Information
- FAST Appointments

Full Service Verification/Impact

- Existing Mail Verifications – presort, content, barcode quality etc
    - Mailings Falls Below Thresholds
        - Returned for Re-work or additional postage at applicable rate
- Existing Full-Service Verifications
    - Documentation not submitted electronically
    - Barcodes and Placards
    - Mailing Falls Below Thresholds
        - Returned for Re-work, or additional postage at applicable non-auto rate
- eDoc Verifications
    - Service Type Code, Mailer ID, Barcode Uniqueness, By/For, Entry Facility, CoPal

Mailer Scorecard

- The Mailer Scorecard provides a dashboard view summarizing Full-Service performance

- Allows comparison across facilities

- Drill reports provide a way to determine specific mail preparation errors

- Available for any company that submits electronic documentation

Mailer Scorecard

Mailer Scorecard

FEBRUARY 2013

| Full-Service Compliance | eInduction | Seamless | Manual Sampling | Entry Point Verification | Mailer Profile |

○ # Metrics   ◉ % Metrics

Full-Service Compliance

eDoc Submitter	20400555 Chicago Presort Company	123456 St. Louis Mailing Management Inc.
# Containers	157	12,427
# Handling Units	3,461	182,875
# Pieces	1,352,849	47,471,183
% FS Mail Volume	100.00%	99.38%
% OCI Not in Error	100.00%	91.33%
% Container MID Not in Error	100.00%	100.00%
% HU MID Not in Error	100.00%	100.00%
% Piece MID Not in Error	100.00%	99.98%
% STID Not in Error	100.00%	100.00%
% By/For Not in Error	99.84%	83.55%
% By/For Matching Not in Error	82.62%	77.69%
% Container Barcode Uniqueness Not in Error	100.00%	100.00%
% HU Barcode Uniqueness Not in Error	99.83%	100.00%
% Piece Barcode Uniqueness Not in Error	10.07%	99.99%
% Container Entry Facility Not in Error	100.00%	100.00%
% Container CSA Not in Error	100.00%	100.00%
% Early Scheduled Ship Date Not in Error	N/A	100.00%

Full-Service System Issues and Enhancements

- Infrastructure Upgrades (May, June, Sept.)

- Full Service issues/gaps fixes in July and October 2013

- Working these through *PostalOne!* Usergroup 1

- Examples:

  - First-Class Bundle Based Flats
  - Full Support of Logical Containers for all Classes
  - Support for Copal in Third Party Logical Environments
  - Postal Wizard support for Periodicals and Bound Printed Matter
  - Non-Uniqueness Exception for Mail.dat, Mail.xml < 10,000
  - Air-boxes
  - Full Service eDoc validations – corrections and enhancements
  - Full-Service Feedback & Data Distribution corrections
  - BPM Parcel Conversion from Mail.dat to Shipping Services

Simplified Onboarding

- Certified Vendors – 15 Vendors, 39 Products

- Simplified TEM Process

  - Register in Business Customer Gateway

  - Download Mail.dat Client

  - Submit eDOC

  - Review Results

  - Email Help Desk

"The new TEM Testing is awesome or as my nephew would say 'wepic' (wicked epic). Today, one of our customers was approved in less than 4 hours. Thanks!!!!!"
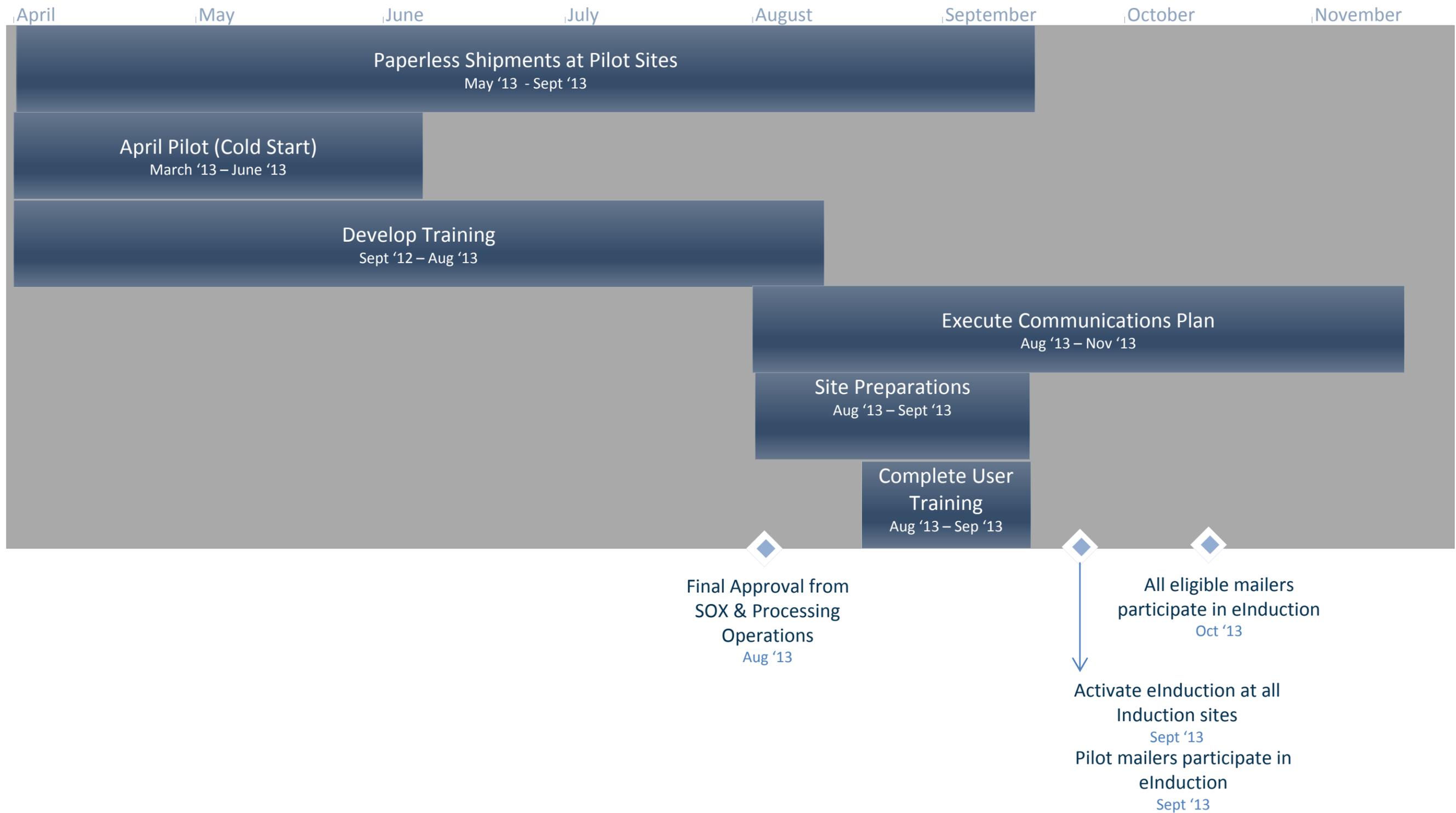
- List Updates: Feb – May

- Final List Validation

- Final Customer Notification

- Redemption Period (Subject to PRC approval):

  June 1, 2013 – May 31, 2014

Plan for Every Mailer

Outreach	Dates/Contact
Federal Register Notices: • Implementation of Full-Service Intelligent Mail for Automation Prices	• Advance Notice: April 2012 Proposed Rule: October 2012 Final Rule: April 2013
Letters to Permit Holders	• May, October, December
Local Outreach (BMEs) • Local Educational Seminars • Contacting Every Mailer • Full Service Handouts • Promote Vendor Solutions	
Communication & Education • DMM Advisory, PCCs • Mailer Webinar Series	• Getting Started with Full-Service • Full-Service MIDs/CRIDs • Business Customer Gateway • Full-Service Feedback • Full-Service eDoc and Testing

eInduction Timeline

April	May	June	July	August	September	October	November

Paperless Shipments at Pilot Sites
May '13 - Sept '13

April Pilot (Cold Start)
March '13 – June '13

Develop Training
Sept '12 – Aug '13

Execute Communications Plan
Aug '13 – Nov '13

Site Preparations
Aug '13 – Sept '13

Complete User Training
Aug '13 – Sep '13

Final Approval from SOX & Processing Operations
Aug '13

All eligible mailers participate in eInduction
Oct '13

Activate eInduction at all Induction sites
Sept '13

Pilot mailers participate in eInduction
Sept '13

Seamless Acceptance

- ## In Parallel Testing

- ## Validating Software/Systems/Verification Results
  - Netflix
  - PB Presort Service, Quad/Graphics, IWCO, NCP Solutions
  - CSG, Arandell

Mail Error Type	Level			Source		
	Container	HU	Piece	eDoc	MPE	Sampling
Undocumented			X		Yes	Yes
Delivery Point			X	Yes		
Mail Characteristic	X	X	X			Yes
Move Update			X		Yes	
Nesting/Sortation	X	X	X	Yes	Yes	Yes
Postage			X			Yes
Weight			X			Yes
Scan Rate			X		Yes	Yes

- ## Mail Anywhere/Pay Anywhere
  - Demonstrate Full-Service compliance:

Provide OCI file for copal	Accurate By/For information (MID, CRID)
Valid MID in barcodes	Valid entry facility
Barcode uniqueness	Valid STID in barcodes

  - Measured for a Month, Help Desk Activation

- ## Permit Fee Retirement
  - Automatic Process – If 90% of mailpieces on every postage statement is Full Service
  - Evaluating revising criteria to cumulative