

Mailers Technical Advisory Committee (MTAC)

**VP, Product Information
Jim Cochrane**

August 18, 2011

- **New Start the Clock Rules**
- **Certification vs. Verification**
- **Full Service Volume & Growth**
- **IMpb Update – Federal Register**
- **Address Quality Update**
- **MTAC Workgroups**

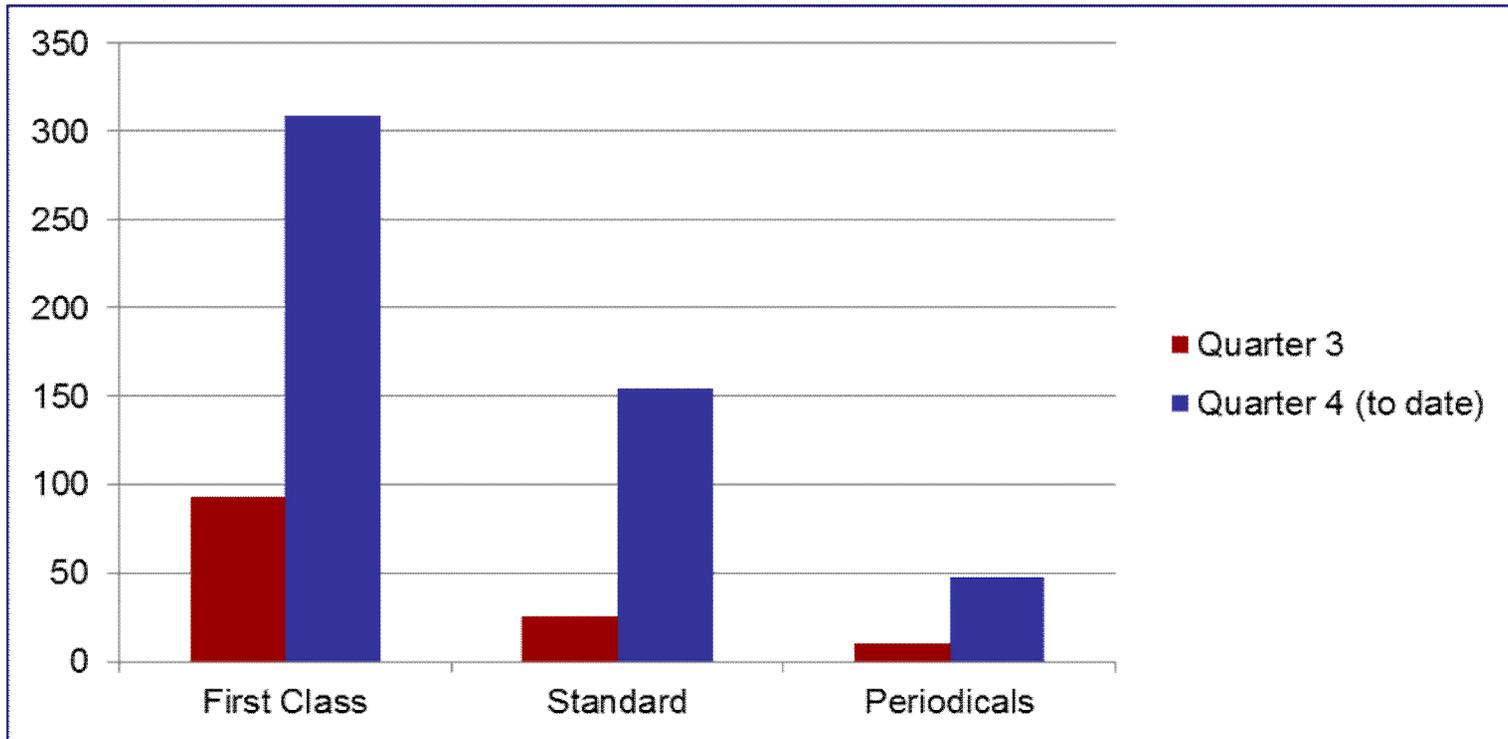


Intelligent Mail® Update

- ❑ **Certification of full-service mailers for service measurement was replaced in June by two components**
 - Enhancements to the Test Environment for Mailers (TEM)
 - Changes to service measurement Start the Clock business rules

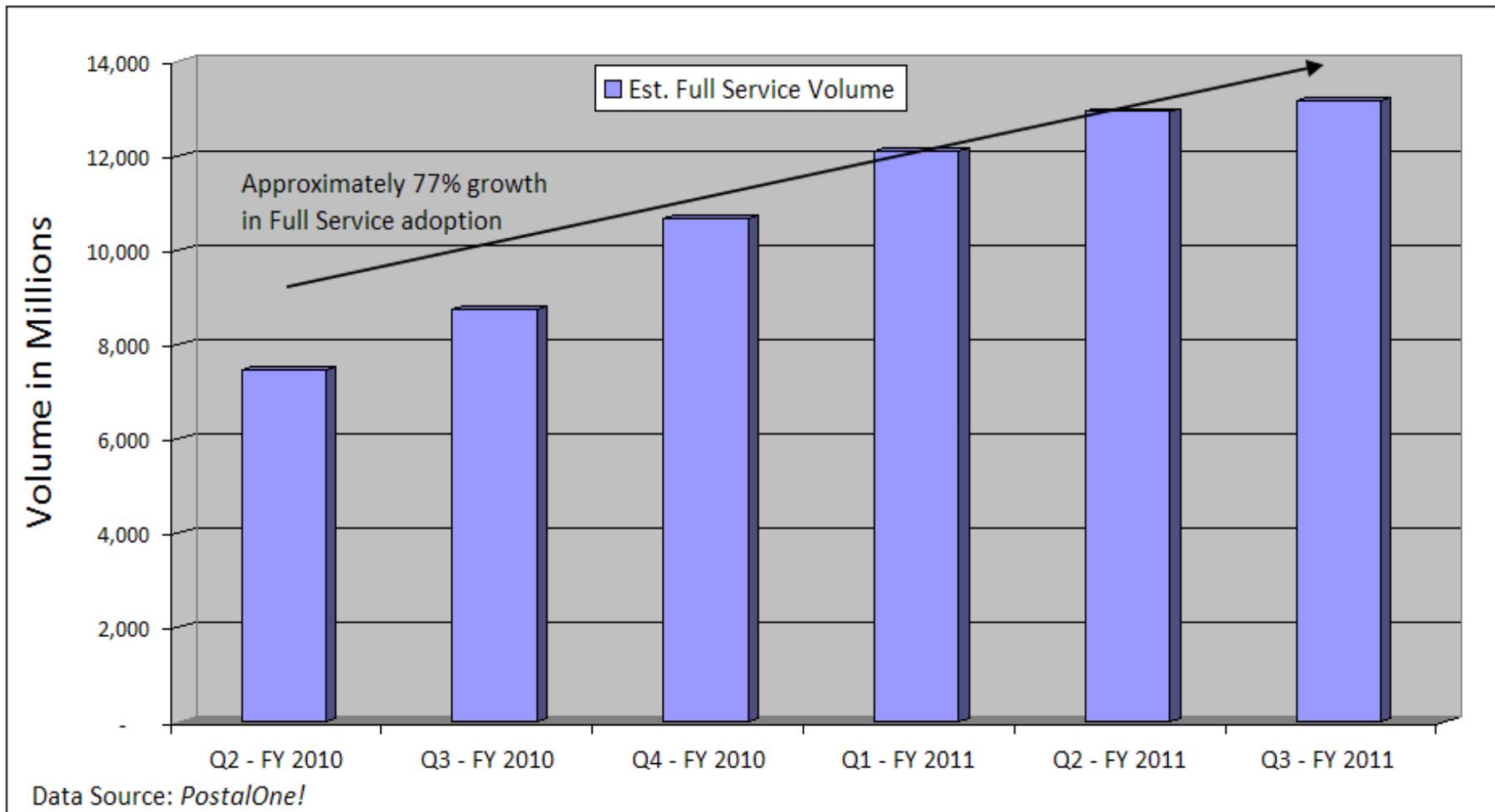
- ❑ **Full-service mailer on-boarding will include a physical review of the mail and review of mail data quality**
 - Barcode Readability
 - Pallet Preparation
 - **CSA Compliance**
 - Review of electronic file quality for compliance with full-service rules
 - ◆ Unique container, handling unit, and mail piece barcodes
 - ◆ Valid Mailer ID, Service Type ID, Owner/Preparer, entry facility
 - ◆ Valid entry locations

- ❑ **Mailers must complete on-boarding and receive authorization to access the full-service discounts**



Mail Class	Quarter 3 Certification Criteria	Quarter 4 (to date) FS Verification Criteria
First Class	93	309
Standard	26	154
Periodicals	11	48

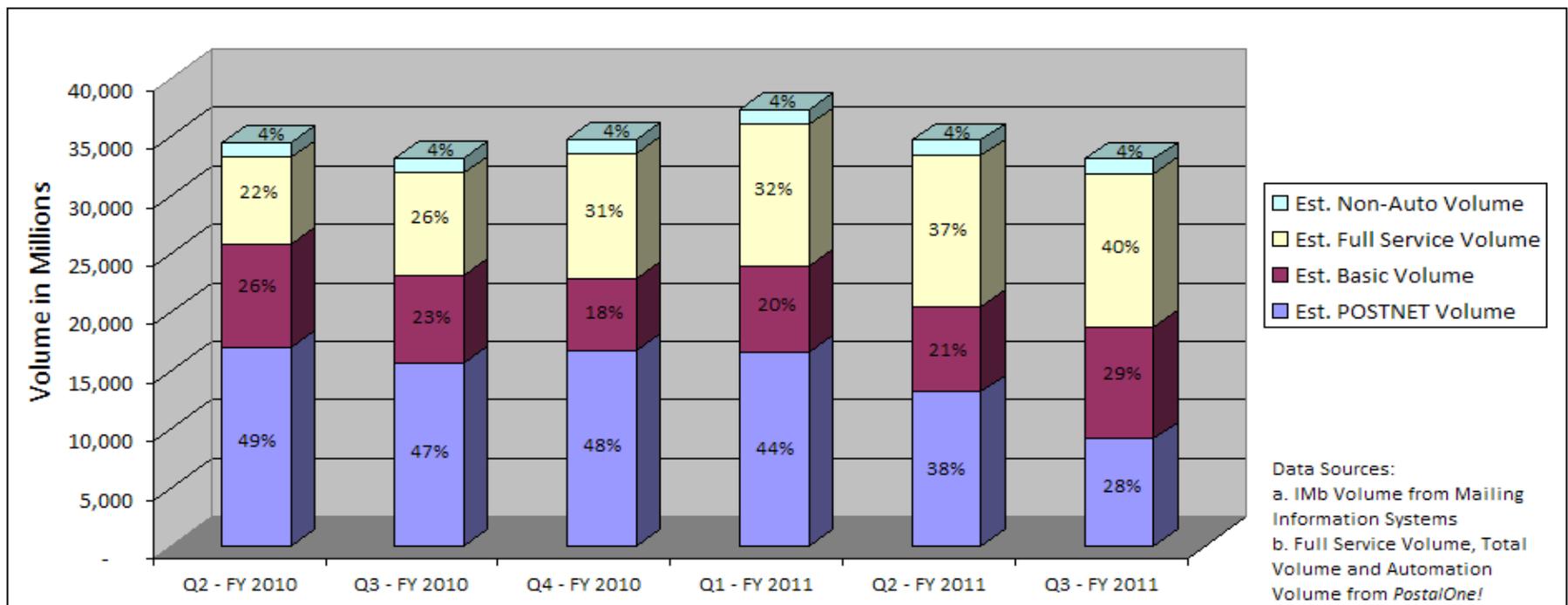
Full Service Volume has seen a 77% Growth From Q2-FY10 to Q3-FY11.



Q3 FY 11 is showing increase in IMb adoption from POSTNET bar code.

Quarter	Est. POSTNET Volume	Est. Basic Volume	Est. Full Service Volume	Est. Non-Auto Volume	Total Volume
Q2 - FY 2010	16,954	8,822	7,454	1,318	34,548
Q3 - FY 2010	15,640	7,498	8,760	1,233	33,131
Q4 - FY 2010	16,749	6,121	10,678	1,257	34,805
Q1 - FY 2011	16,603	7,335	12,100	1,309	37,347
Q2 - FY 2011	13,181	7,241	12,941	1,364	34,727
Q3 - FY 2011	9,153	9,529	13,182	1,250	33,115

Please Note: All Volume is in Millions

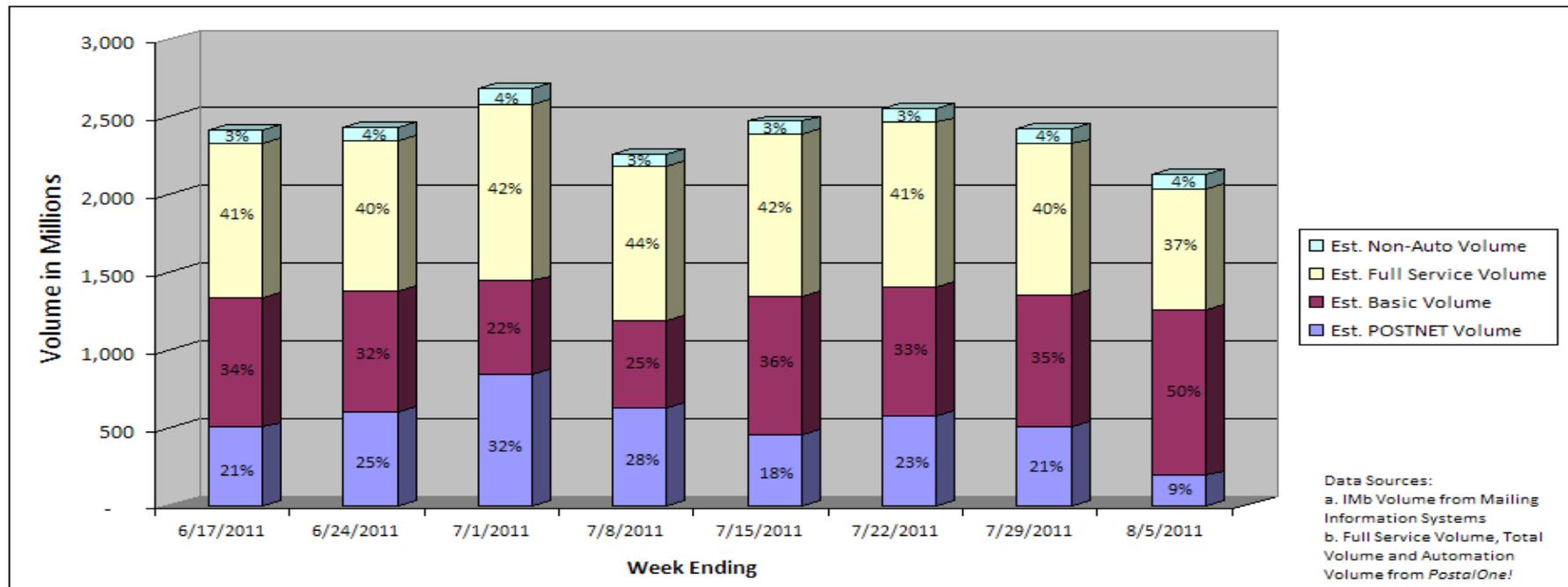


Intelligent Mail vs. Full Service Volume Growth - Weekly

Last 8 weeks of data shows increase in IMb adoption from POSTNET bar code.

Week Ending	Est. POSTNET Volume	Est. Basic Volume	Est. Full Service Volume	Est. Non-Auto Volume	Total Volume
6/17/2011	502	833	997	84	2,416
6/24/2011	602	776	967	86	2,430
7/1/2011	846	598	1,138	104	2,687
7/8/2011	630	563	991	76	2,259
7/15/2011	457	888	1,041	86	2,472
7/22/2011	576	829	1,058	89	2,552
7/29/2011	509	843	974	98	2,424
8/5/2011	191	1,064	783	90	2,127

Please Note: All Volume is in Millions

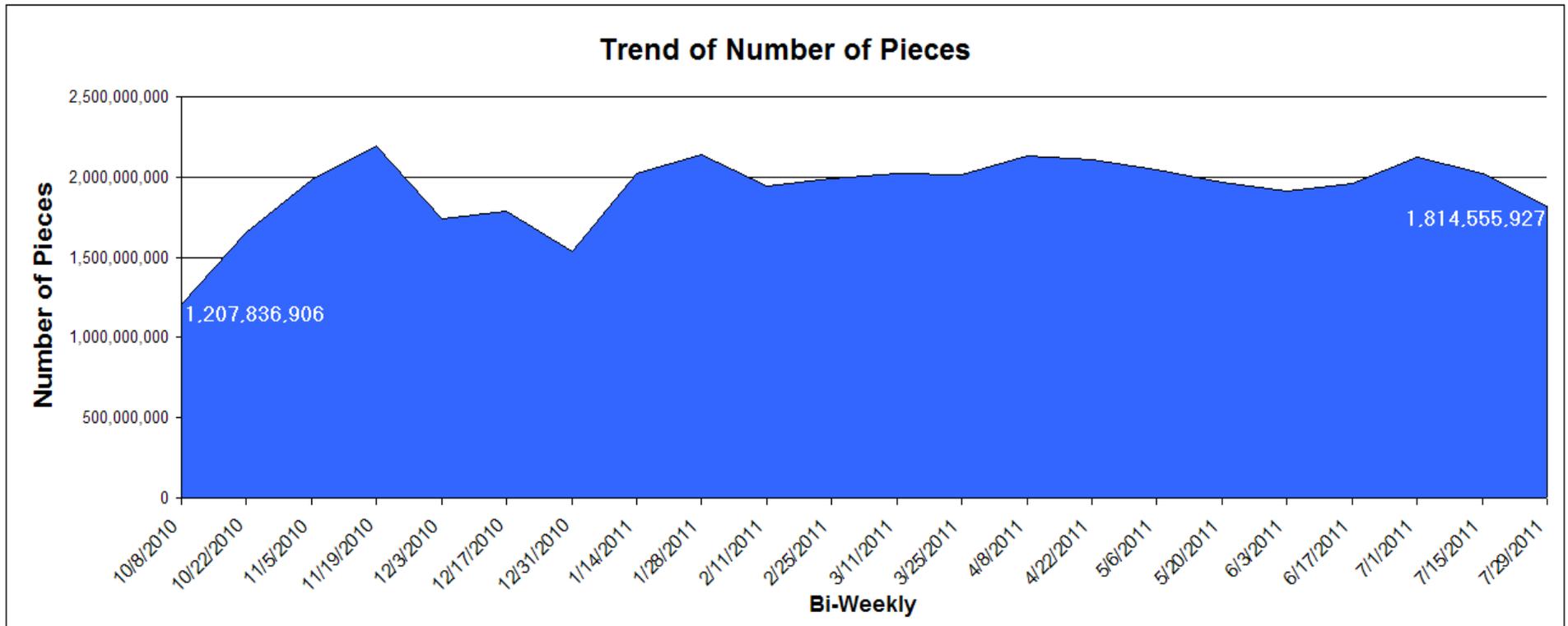


Full-Service Production Trends

(October 1, 2010 – July 29, 2011)

Full-Service Customer Sites Approved For Production	86
Full-Service Postage Statements Finalized	510,009
Total Piece Volume for Full-Service	42,317,891,574

Note: Total Piece Volume for Full-Service includes Bound Printed Matter



Note: Week Ending 10/8/2011 only represents data from 10/1/2011 through 10/8/2011

Date Range: 10/1/2010 - 07/29/2011

Process Category	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
Letters & Cards	16,424,474	33,673,645	48.78%
Flats	35,583	494,169	7.20%
Total	16,460,057	34,167,814	48.17%

Note: Volume (000s)

Process Category	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
Letters	445	57,553	0.77%
Flats	2,661,188	5,312,211	50.10%
Total	2,661,633	5,369,764	49.57%

Note: Volume (000s)

Process Category	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
Letters	12,803,409	42,691,760	29.99%
Flats	6,064,760	17,420,644	34.81%
Total	18,868,168	60,112,404	31.39%

Note: Volume (000s)

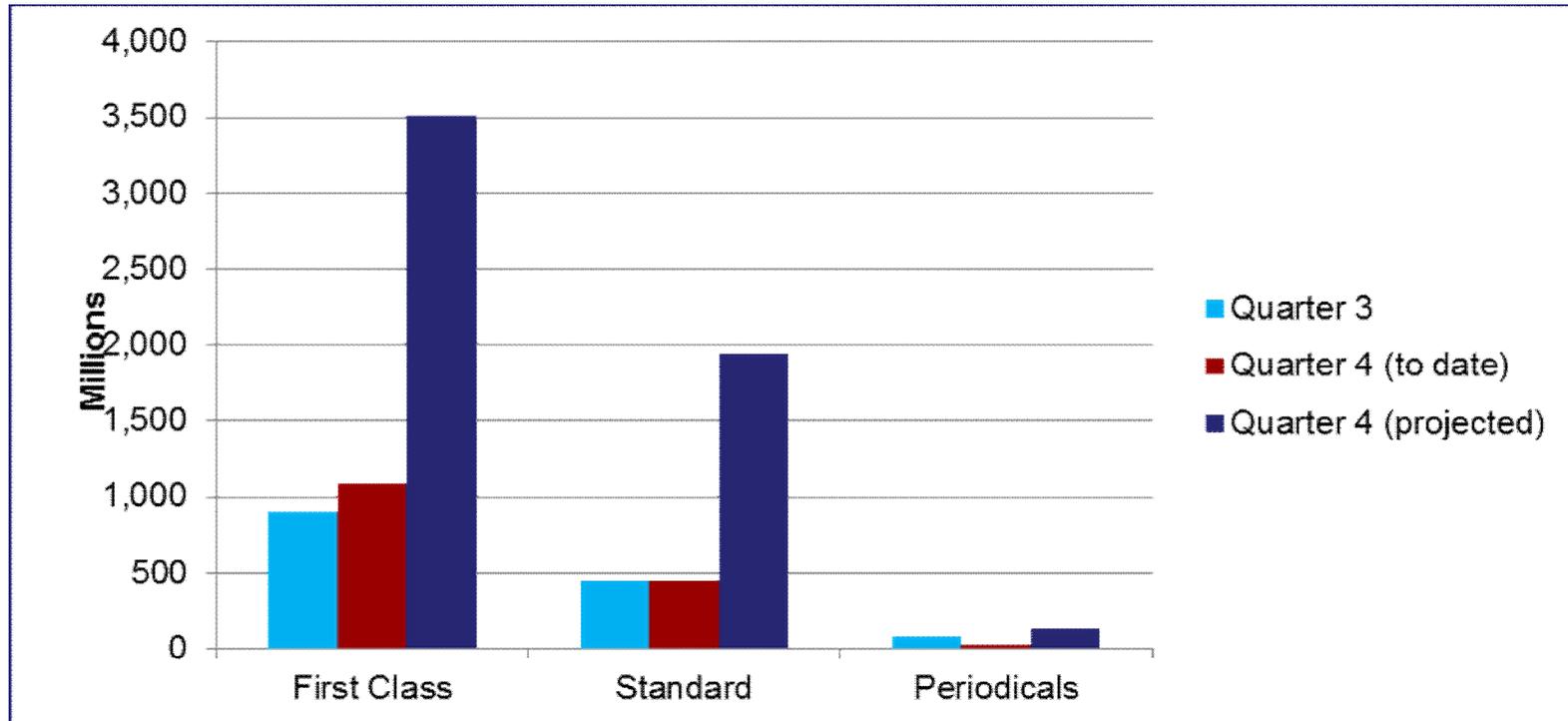
Mail Class	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
First Class	13,072,152	46,895,948	27.87%
Periodicals	2,117,894	7,174,548	29.52%
Standard Mail	13,838,097	78,953,920	17.53%
Total	29,028,143	133,024,416	21.82%

Note: Volume (000s)

Summary by Mail Class - **FY 2011** (October 2010 - June 2011)

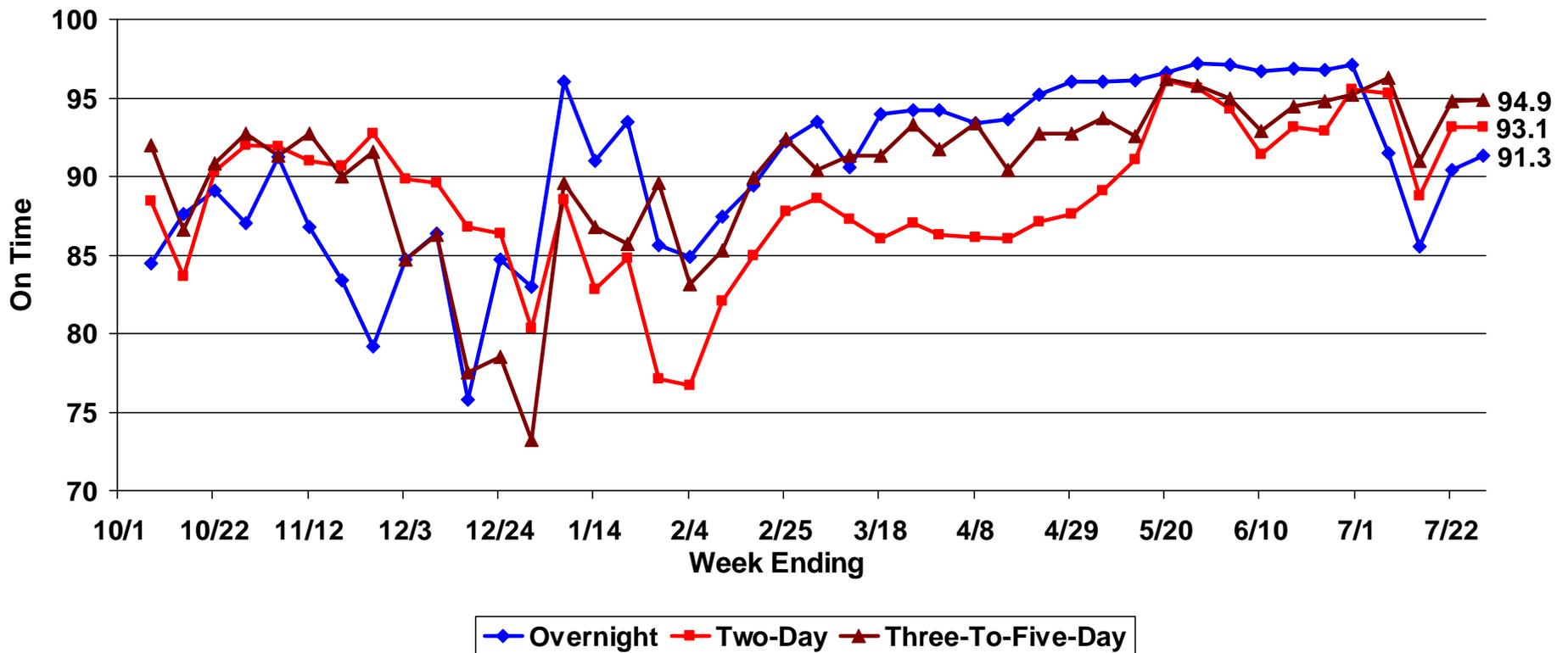
Mail Class	IMb Full Service Volume	Total Commercial Volume	Percent IMb Full Service
First Class	16,460,057	34,167,814	48.17%
Periodicals	2,661,633	5,369,764	49.57%
Standard Mail	18,868,168	60,112,404	31.39%
Total	37,989,858	99,649,982	38.12%

Note: Volume (000s)



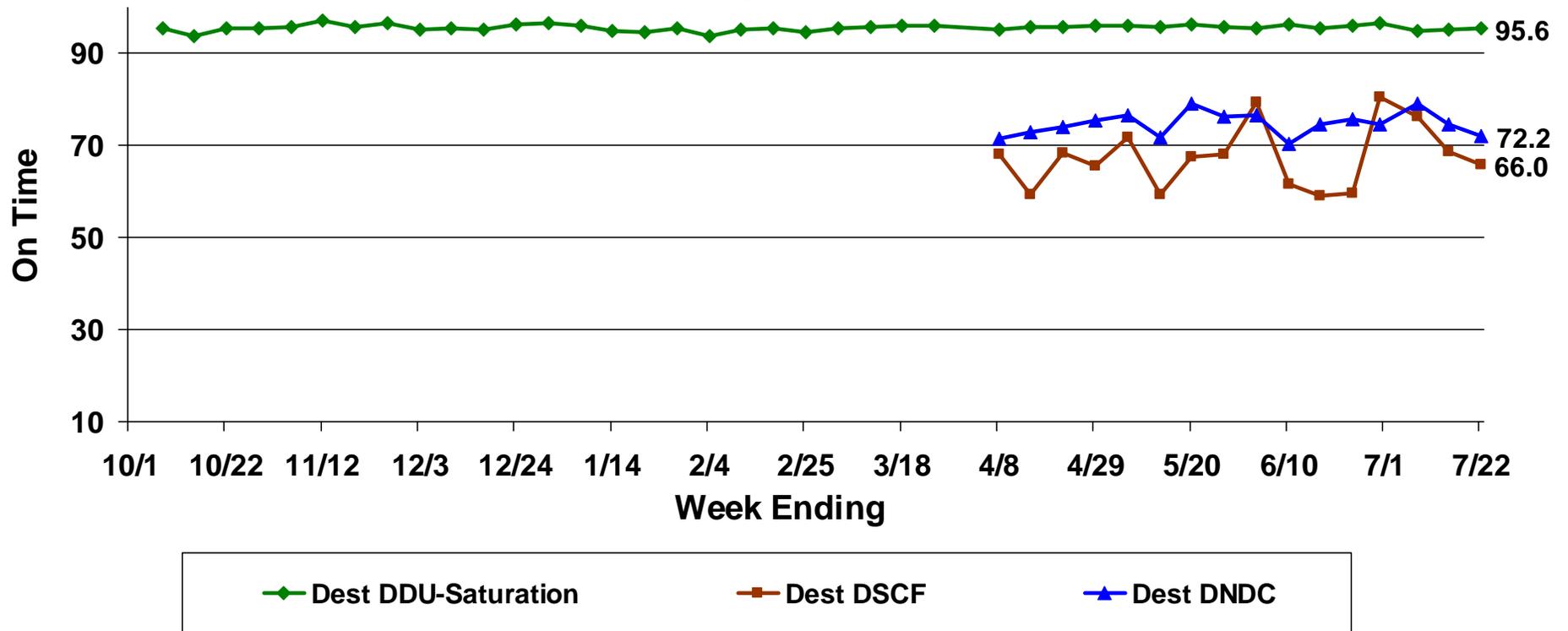
Mail Class	Quarter 3	Quarter 4 (to date)	Quarter 4 (projected)
First Class	897,579,575	1,082,075,174	3,516,744,315
Standard	451,848,624	448,902,364	1,945,243,577
Periodicals	81,553,106	31,692,413	137,333,789

Commercial First-Class Mail FY11 Performance By Week

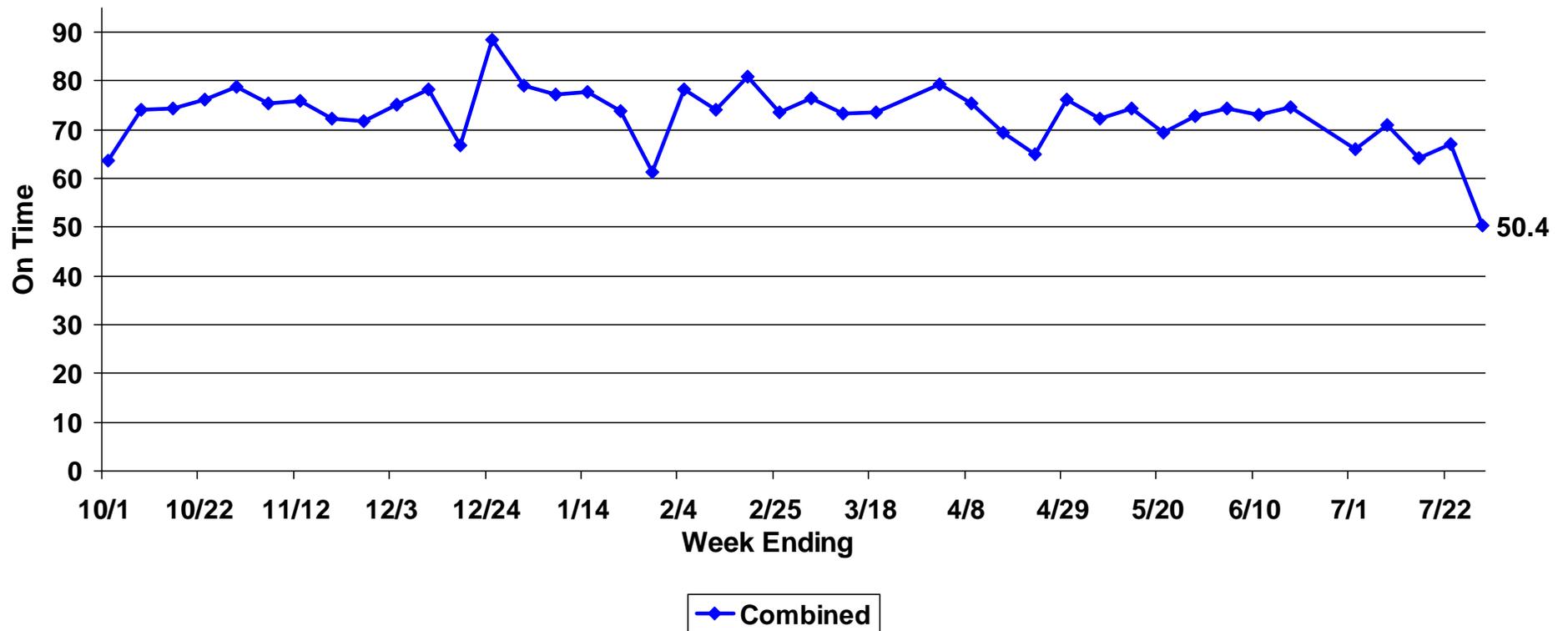


Source: iMAPS

Standard Mail FY11 Performance By Week



Periodicals FY11 Performance By Week



Source: Red Tag and Del-Trak

Intelligent Mail Package Barcode Update

Proposed Final Rule

Requirements	January 22, 2012	July 1, 2013
USPS Tracking included (Commercial, MRS, Business Reply Mail)	✓	
PC Postage requirement	✓	
All parcels claiming presort or destination entry pricing requirement	✓	
IMpB required		✓
Version 1.6 electronic shipping services manifest files (Destination ZIP+4 or Destination delivery address)		✓

Address Quality Update

Traditional ACS Charges Assessed on Full Service Mailing

- ❑ Consensus achieved on solution for assessment of charges associated with Traditional ACS**
- ❑ Model designed utilizing “Best of the Best” CFS scanning performance within Area as baseline**
- ❑ Reduces approximately 85% of all charges resulting from Traditional ACS notices provided on Full Service mailing**
 - Equalizes performance between COA and Nixie**
 - Normalizes performance across CFS units by Area**
 - Recognizes potential variance in IMb quality due to production processes**

Address Correction / Move Update Changes

- MLNA/BCNO Federal Register re-published on July 12, 2011**
- Restated clarification to Move Update Requirement to include MLNA/BNCO update**
- Comment period initially provided through August 11, 2011**
 - Comment period extended through August 31, 2011**

Address Correction / Move Update Changes

- USPS reassessment of MLNA/BCNO value indicates continuous decline in the number of MLNA/BCNO orders filed since first notice of inclusion in Move Update**

- USPS withdraws requirement for update of MLNA/BCNO to comply with Move Update**

- Facilitates mailing industry focus on Full Service implementation**

User Group Focus

- ☐ MTAC User Group #5 formed to evaluate and recommend ongoing address quality initiatives**
 - **Future CASS Cycle requirements and timelines**
 - **New address hygiene products and services**
 - **Differentiation / Impacts by mail class**

- ☐ Participation encouraged for those interested:**
 - **Industry: Adam Collinson, Pitney Bowes Mgmt Svc
John Whittington, TIME Customer Service**
 - **USPS: Angela Lawson – Mgr Address Technology
Paul Sullivan – Mgr Delivery Systems**

- ❑ **Suite^{Link} Status Update**
 - Report issues to suitelink@usps.gov

- ❑ **Secure Destruction Service**
 - Effort to be revisited following network realignment

- ❑ ***FASTforward* Retirement Planning**
 - Proposal to form working team to plan for transition from *FASTforward*

MTAC Workgroups

Improving Visibility

- ❑ MTAC Workgroup #142 – Develop Start-The-Clock (STC) Rules for Commercial Market Dominant Parcels**

- ❑ Objectives**
 - Determine optimal approaches for calculating STC**
 - Establish consistent STC rules for all categories**
 - Enhance customer visibility**
 - Report service performance**

- ❑ Workgroup leaders – Tom Underkoffler, Medco
Robert Raines, USPS**

Improving Visibility

- MTAC Workgroup #144 – Modify Intelligent Mail Container Barcode Construct**

- Objectives**
 - **Enable commercial mailers visibility into USPS**
 - **Enhance streamlined acceptance**
 - **Enhance commercial mail measurement**
 - **Enable forecasting and processing efficiencies**

- Workgroup leaders - Bob Schimek, USPS
Steve Dearing, USPS**

Improving Visibility

- MTAC Workgroup #145 – Promote Significant Usage of 24-Digit Tray Labels**

- Objectives**
 - **Enable commercial mailers visibility into USPS**
 - **Enable identification of all tray and sack mail**
 - **Enhance commercial mail measurement**
 - **Enable forecasting and processing efficiencies**

- Workgroup leaders – Paula Stoskopf, USPS
Steve Dearing, USPS**

Improving Visibility

- ❑ MTAC Workgroup #146 – Providing Container, Tray, and Piece level detail to Full Service customers**

- ❑ Objectives**
 - Increased visibility into USPS network**

 - Enhanced information to help grow mail**

- ❑ Workgroup leaders – Angelo Anagnostopoulos
Steve Dearing, USPS**

Physical Location Defaults & Redirections Review

- ❑ Simplify correct mail discount drop ship location for the USPS and industry by May 31, 2012**
- ❑ Reduce complexity in Service Measurement and FSS Preparation**
- ❑ Examine current data format and business rules**
- ❑ Optimization of Preparation & Entry**
- ❑ Workgroup leaders – Shibani Gambhir, USPS
Lisa Bowes, Industry**