

# Intelligent Mail<sup>®</sup> Package Barcode Compliance Implementation Plan

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Juliaann S. Hess  
A/Manager  
Mail and Package Information Systems  
US Postal Service

September 13, 2016

- Intelligent Mail® Package Barcode
  - Overview and Current Status
- MTAC Work Group #178 Status
- IMpb Quality Compliance Metrics – Implementation
- IMpb Compliance Quality Metrics
  - Simplified List
- Questions

## What is it?

The Intelligent Mail® Package Barcode (IM®pb) is the critical bridge between physical packages and digital information required to enable world class service and tracking for our package products.



## World Class Visibility and Service



### 100% Visibility

- A unique tracking barcode on every package
- Full end-to-end tracking
- Tracking included for all shipping products\*
- Rich digital information improves CX and performance
- Creates value!



### Customer Value

- Essential to compete
- Offers transparency and predictability
- Foundation for shipping industry
- Track all volume
- More data to support customer service



### Business Value

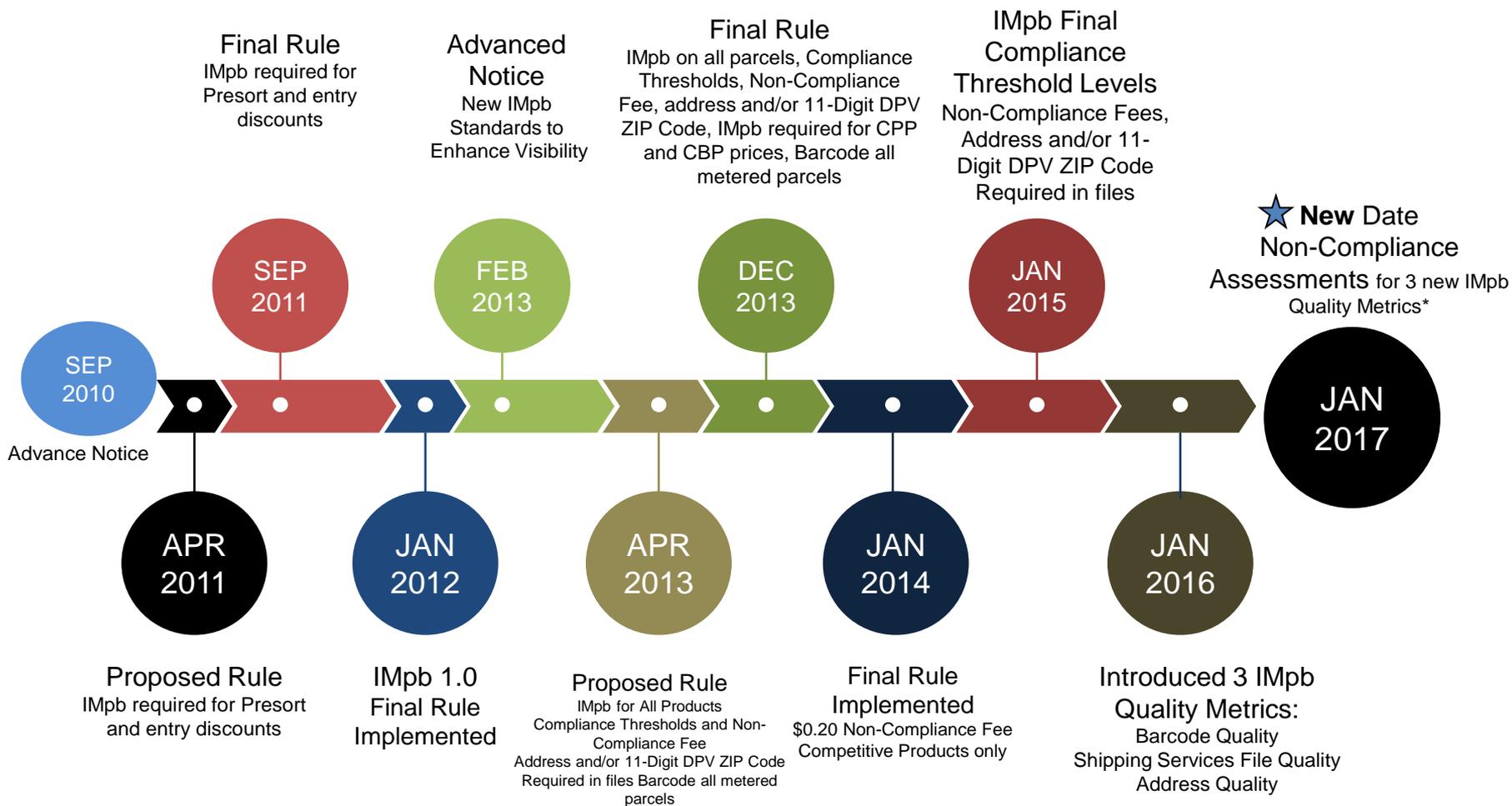
- Information about reliability
- Manage networks and logistics
- Correct problems
- Identify pinch points
- Innovation opportunities

***USPS Tracking is included at no additional charge for all packages except Standard Mail parcels.***

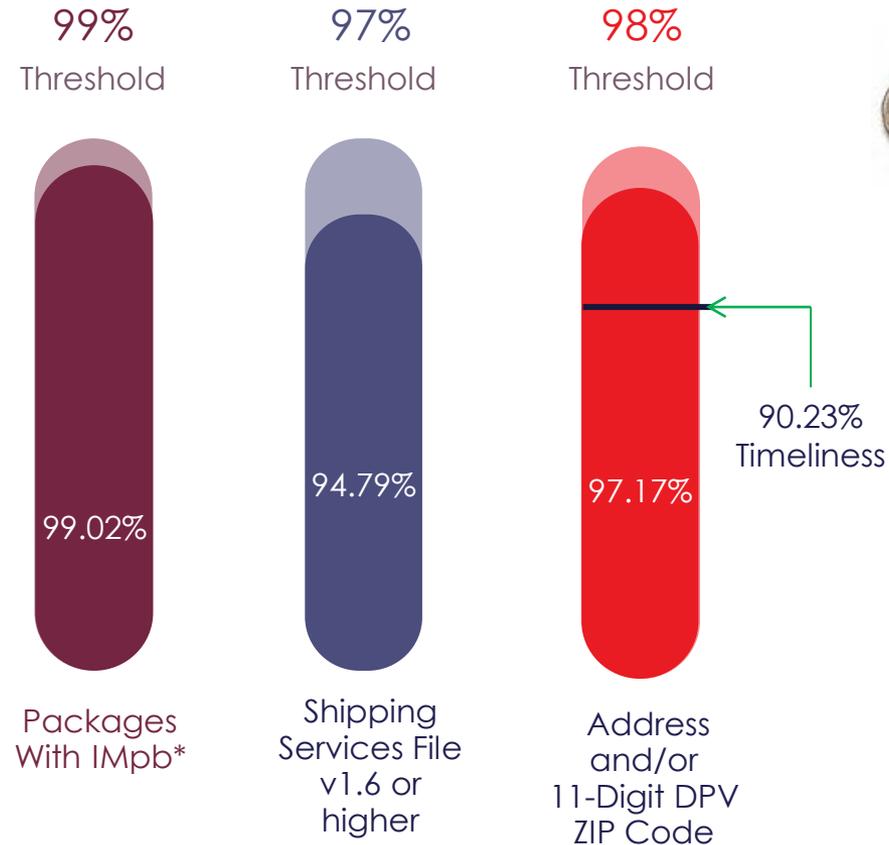


- **Access to the best prices for package products**
- **End-to-End tracking information at no additional charge\***
- **Proactively manage expectations – you and your customers know when to expect your packages to arrive**
- **Access to Priority Mail baked-in insurance up to:**
  - **\$50 for Retail and Commercial Base Pricing**
  - **\$100 for Commercial Plus customers**
  - **Note: Some restrictions apply**
- **Address information in shipping files supports efficient sorting to carrier delivery routes, using data instead human memory**
- **Three digit service type codes identify product and service**
- **Required for new products, services, features**

*\*Except Standard Mail parcels*



### Current IMpb Compliance Metrics



Source: Product Tracking & Reporting

\*Commercial parcels only

Note: Timeliness not factored into performance

## Overview

### Address Quality



Measures percent of addresses\* with enough information to validate to the unique exact 11-digit DPV ZIP Code when matched against the AMS Database.

Benefits:

- Operational efficiency
- Enables personalized features such as My USPS
- Avoids operational costs (Manual scheme lookup/PRES Keying)
- Improves deliverability

### Shipping Services File Quality



Measures percent of manifest records that pass key package level detail validations mitigating potential errors when processed in the PTR Database.

Benefits:

- Supports timely postage payment and revenue assurance
- Enhances tracking and customer experience
- Provides digital awareness of packages that will be delivered by USPS
- Facilitates better workload planning
- Eliminates need for manual counts
- Enables better analytics, insights, decisions

### Barcode Quality



Measures percent of tracking numbers that pass key validations for format and uniqueness\* without errors or warnings when manifests are processed in the PTR Database and physically scanned.

Benefits:

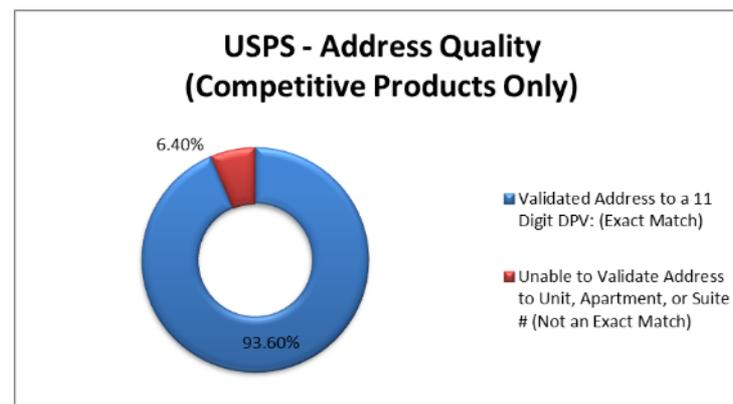
- Critical for visibility and the customer experience
- Creates the digital trail
- Supports payment and revenue assurance
- Facilitates operational efficiencies
- Foundational for current and future product offerings

### Competitive Products Only (4 AQ Validations)

(Excludes Market Dominant, International, Retail Packages, and Certified Mail)



Competitive Products		
DPV Confirmation (AQ Indicators)		
Description	Percent	Indicator
Validated Address to a 11 Digit DPV: (Exact Match)	93.60%	<b>Address Compliance</b>
Unable to Validate Address to Unit, Apartment, or Suite # (Not an Exact Match)	6.40%	<b>AQ (Non-Compliant)</b>
<b>Total Volume</b>	<b>100.00%</b>	



Competitive Products			
Class of Mail	% of Exact Address Match for CoM	% of Not An Exact Address Match for CoM	% of CoM by Total Volume
Parcel Select Lightweight	94.11%	5.89%	32.17%
Parcel Select	93.68%	6.32%	28.48%
First Class Package Service	94.10%	5.90%	22.40%
Priority Mail	91.84%	8.16%	16.90%
USPS Retail Ground	95.94%	4.06%	0.05%
<b>Grand Total</b>	<b>93.60%</b>	<b>6.40%</b>	<b>100.00%</b>

Source: Product Tracking & Reporting



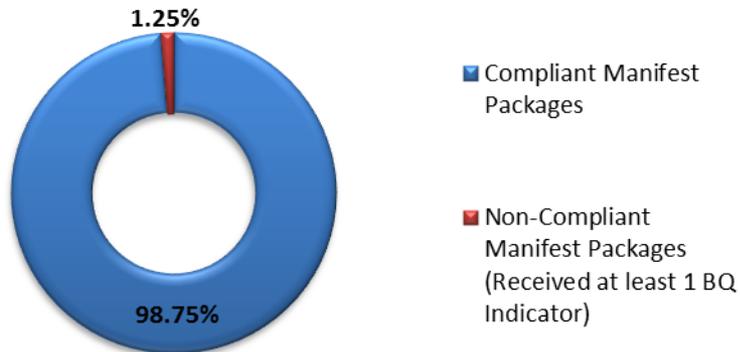
## Competitive Products Only

(Excludes Market Dominant, International, Retail Packages, and Certified Mail)

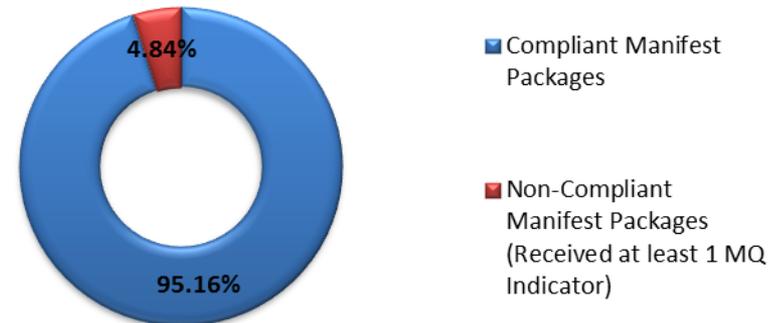
January 2017 BQ Target Threshold: 95%	
USPS - Total Volume	
Description	Findings
Percent of Manifest: BQ Compliant	98.75%
Percent of Manifest: BQ Non-Compliant	1.25%

January 2017 MQ Target Threshold: 91%	
USPS - Total Volume	
Description	Findings
Percent of Manifest: MQ Compliant	95.16%
Percent of Manifest: MQ Non-Compliant	4.84%

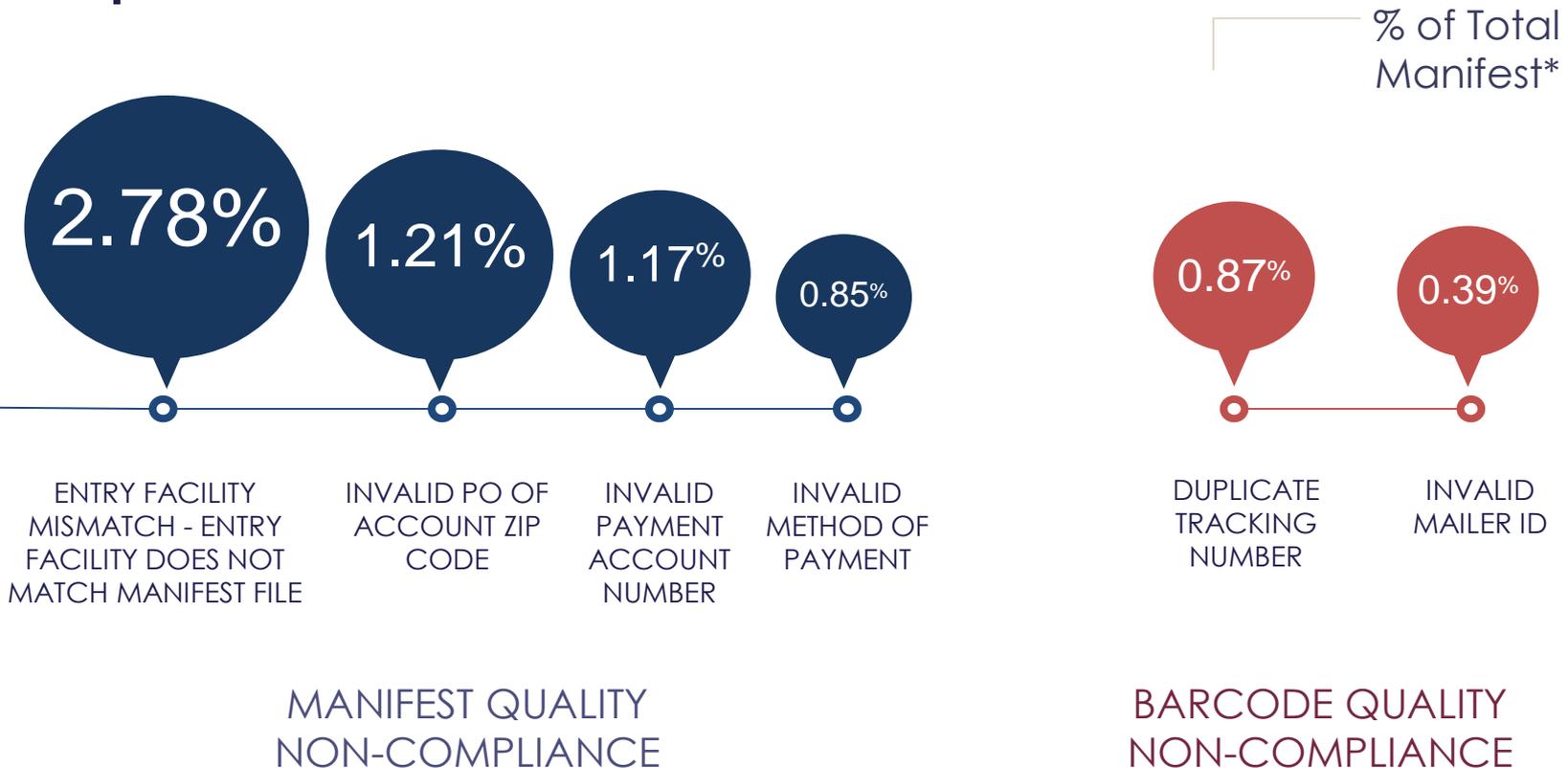
### BQ Compliance Overview - August 2016



### MQ Compliance Overview - August 2016



## Top 6 Issues August 2016



*\*Competitive Products Only*

## Collaborative Implementation Approach

Work with Industry via MTAC Work Group #178 to simplify IMpb Compliance for Shipping Services File, Barcode, and Address Quality assessments

- Collaborate on which items to measure and thresholds
  - Highest volume and impacts
  - Straightforward
  - Low contention
  - Ensure no duplicate assessments
- Agree on compliance threshold for each IMpb Quality Metric for 2017 and 2018
  - Reasonable and achievable
- IMpb Compliance Quality assessments begin **January 2017**



Agreement between Industry and USPS on specific items that will be included in IMpb Compliance Quality assessments and the respective threshold for each quality category: Address Quality (AQ), IMpb Barcode Quality (BQ) and Shipping Services File Quality (MQ).

- Objective 1** A measurement approach that prevents duplicate penalties or fees.
- Objective 2** Transparency and visibility into how compliance is measured and fees are assessed through the payment systems.
- Objective 3** A simplified list of validations that focus on the most impactful items and minimize reconciliation issues.
- Objective 4** Achievable compliance thresholds in 2017 and 2018.



## Recommendations Summary

- MTAC Work Group #178 recommends reducing the number of validations being measured for IMpb Quality Compliance to ten, following a measurement approach that only assesses Competitive Mail Classes for IMpb Compliance and assessing mailers only the fee associated to the largest compliance category for each Class of Mail or for the aggregate classes of mail – whichever results in the best performance for the mailer.
- Mailers will be assessed for all pieces below the threshold (ex. If the threshold is 89% and the mailer is at 85%, then they will be assessed for 4% of the packages) and will only be charged once per piece.
- Threshold levels for January 2017 (Address Quality (AQ) – 89%; Manifest Quality (MQ) – 91%; Barcode Quality (BQ) – 95%) and January 2018 (AQ – convene a new Work Group in July 2017 to set overall AQ threshold for January 2018; MQ – 94%; BQ – 98%) have been agreed upon.
- The Work Group also recommends reducing the compliance categories from the current six to the three quality categories beginning TBD (proposed date: January 2017)
- The Work Group recommends that USPS will work to create a separate IMpb Extract file to be sent to mailers which will include non-compliant package information.

- ✓ USPS began providing mailers with their IMpb Quality Compliance Metrics since January 2016
- ❑ MTAC Work Group #178 will finalize recommendations and submit to USPS Leadership by the end of September 2016
- ❑ Beginning in January 2017, Mailers will begin to be assessed based on Address Quality\* (3), Manifest Quality, (4), and Barcode Quality (2) validations.
- ❑ Threshold levels for these validations are as follows:
  - AQ: 89%
  - BQ: 95%
  - MQ: 91%

\*Note: There is one additional AQ validation (Missing Secondary Information) has been deferred until July 2017.

### Address Quality (AQ) – 4 Validation Combinations

### Manifest Quality (MQ) – 4 Validation Combinations

DPV	DPV Footnote Description	July 2016 Volume	% of Total Volume	% of Total AQ Errors	PTR Indicator
AAN1	Missing Secondary Information (i.e., no Apartment or Suite Number)	7,496,559	2.26%	35.40%	AQ
A1	Unable to Match Address to a ZIP+4 Code	6,220,818	1.88%	29.37%	AQ
A1M1	Missing Street Number	5,956,861	1.80%	28.13%	AQ
AAM3	Invalid Primary Street Number	1,505,202	0.45%	7.11%	AQ

PTR Warning #	PTR Error/Warning Message	July 2016 Volume	% of Total Volume	% of Total MQ Errors	PTR Indicator
1	MQ Entry Facility Mismatch - Entry Facility Does Not Match Manifest File	9,226,726	2.78%	57.47%	MQ
136	Invalid PO of account Zip Code	4,012,869	1.21%	24.99%	MQ
1535	Invalid Payment account number	3,893,485	1.17%	24.25%	MQ
193	Invalid Method of Payment	2,827,845	0.85%	17.61%	MQ

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

PTR Warning #	PTR Error/Warning Message	July 2016 Volume	% of Volume	% of Total BQ Errors	PTR Indicator
66	Duplicate Tracking Numbers on Multiple Packages	2,882,302	0.87%	69.40%	BQ
50	Invalid MID in PIC	1,297,384	0.39%	31.24%	BQ

- All other IMpb Quality Compliance validations were turned off on 7/1
- Except the following warnings which will be removed in PTR Release 10.0 on 9/25/16:
  - #2: BQ-Duplicate Label Event
  - #3: BQ-Keyed Tracking Label
- Secondary information address quality measurement –issue with 00 DPC was resolved with PTR Release 9.0/9.1 on 8/28/16

\*Evaluating operational impacts.

 Consensus

## IMpb Quality Target Thresholds Competitive Products\* Only

IMpb Quality Compliance Category		Actual Performance								Target Threshold	
		Jan 2016	Feb 2016	Mar 2016	Apr 2016	May 2016	Jun 2016	Jul 2016	Aug 2016	Jan 2017	Jan 2018
Destination Delivery Address (AQ)	All 15 Criteria	90.63%	88.87%	88.91%	89.22%	89.39%	89.63%	91.09%	89.68%	89%	TBD
	Top 4 AQ	92.70%	90.65%	91.18%	91.40%	91.51%	92.05%	93.23%	93.61%		
	Difference	+2.07%	+1.78%	+2.27%	+2.18%	+2.12%	+2.42%	+2.14%	+3.93		
Shipping Services File (MQ)	All 40 Criteria	92.90%	91.37%	92.98%	91.78%	91.10%	88.64%	90.82%	91.37%	91%	94%
	Top 4 MQ	96.15%	94.88%	95.13%	95.88%	94.25%	93.81%	94.38%	95.16%		
	Difference	+3.25%	+3.51%	+2.15%	+4.1%	+3.15%	+5.17%	+3.56%	+3.79%		
IMpb Barcode (BQ)	All 14 Criteria	93.87%	95.28%	97.53%	98.36%	98.33%	98.37%	98.24%	97.14%	95%	98%
	Top 2 BQ	94.74%	96.04%	98.69%	99.05%	98.89%	99.12%	99.04	98.75%		
	Difference	+0.87%	+0.76%	+1.16%	+0.69%	+0.56%	+0.75%	+0.80%	+1.61		

## Communicating IMpb Quality Compliance requirements and performance through webinars, local outreach, and individual meetings with customers

- Continue sharing IMpb Quality summary reports and holding individual meetings with larger customers
  - Review performance
  - Identify improvement opportunities
- Monthly IMpb Quality customer educational webinars
  - Smaller customers, infrequent shippers
  - IMpb Quality Deep Dives
- MicroStrategy Reports available from BMEU employees
- IMpb Compliance Reports for Non-eVS Users coming August 2016
  - Accessible via Business Customer Gateway
- Leverage Marketing Managers at Areas and Districts



- Continuing to work with Industry
- Extending MTAC Work Group #178 through September 30, 2016
- MTAC Work Group #178 Resolution Statement submitted by September 30, 2016
- Anticipating USPS Leadership decision by October 31, 2016
- Deferring assessments until January 2017
- Proposing deferment of assessment for Missing Secondary Information (AQ) until July 2017
- Publishing a Federal Register Notice to inform Industry of changes
  - Comments welcomed and will be addressed
- Start an IMpb Compliance sub-group under MTAC User Group 2 eVS/PTR
- Proposing new Work Group be established to provide a recommendation for the target AQ threshold for January 2018 in July 2017
- Determine when to combine IMpb Compliance Categories to Quality Categories only

Send any question to [IMpb@usps.gov](mailto:IMpb@usps.gov)

Topic	Date	Time*
✓ IMpb Compliance Quality Metrics – Overview	Thursday, March 17, 2016	11:30 AM - 12:30 PM
✓ IMpb Quality Reports	Tuesday, March 29, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance Deep Drive – Barcode Quality	Tuesday, April 12, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance Deep Drive – Address Quality	Tuesday, April 26, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance Deep Drive – Manifest Quality (SFF)	Thursday, May 12, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance Deep Drive – Scan Event Extract File and IMpb ACS	Tuesday, May 24, 2016	11:00 AM -12:00 PM
✓ IMpb Quality – Certification Process	Tuesday, June 07, 2016	11:00 AM -12:00 PM
✓ IMpb Quality – Electronic Verification System (eVS)	Tuesday, June 21, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance General Update	Tuesday, July 19, 2016	11:00 AM -12:00 PM
✓ IMpb Compliance Work Group #178 Recommendations	Tuesday, August 09, 2016	11:00 AM -12:00 PM
IMpb Compliance Implementation Plan	Tuesday, September 13, 2016	11:00 AM -12:00 PM
IMpb Compliance Quality Metrics – Recap	Tuesday, October 04, 2016	11:00 AM -12:00 PM

\*Eastern Time Zone

