

MTAC Notes for Day 1 Open Session – November 1st, 2016

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MSMA Representative to MTAC

Opening Comments - Megan J. Brennan, Postmaster General & CEO

- The PMG spoke about recent organizational changes, introduced Steve Monteith, as the VP of Marketing.
 - Jim Cochrane, who previously served as chief marketing and sales officer, will now lead his organization as chief customer and marketing officer.
 - Within this group, Cliff Rucker, who previously served as sales vice president, will become sales and customer relations senior vice president. He will continue to oversee Sales, while taking on added responsibility for the Business Service Network and Customer Care Centers.
 - Steve Monteith, who previously served as executive director of product management for mailing products and shipping services, will now serve as marketing vice president. He will oversee Brand Marketing, Customer Engagement and Strategic Alignment, Customer and Market Insights, Industry Engagement, Product Management — Mailing Products and Services, Product Management — Shipping Products, and Stamp Services.
 - The vice president position that oversees Consumer and Industry Affairs has been eliminated and the Consumer Advocate function will report to the chief customer and marketing officer. This is designed to elevate the voice of residential customers throughout the organization.
 - The vice president position that oversees Global Business will also be eliminated and the organization is being modified to better align with core business units.
 - Gary Reblin will continue to report to Cochrane as vice president overseeing Product Innovation.
 - DPMG Ron Stroman will continue to oversee Government Relations, Sustainability and Office of the Judicial Officer. He also will lead international efforts that involve public policy and oversee International Postal Affairs, a new function within his group.
- The PMG briefly highlighted FY16 performance, and mentioned that 7 USPS Officers would be here today and tomorrow, stressing the commitment to MTAC. More on the results can be found here: http://about.usps.com/news/national-releases/2016/pr16_092.htm
- The current term of the lone remaining USPS Board of Governors James Bilbray expires December 8th. The PMG was asked about prospects for restoring the complement of Governors on the Board. She said that Congress has 4 weeks after they return from the election, and she's optimistic that they'll deal with the appointments.

Marketing Update - Jim Cochrane, Chief Customer and Sales Officer & EVP

- Jim thanked Sharon Owens and Steve Monteith for a job well done on the January 22nd price change.
- He noted that the pending Legislation efforts had created some fractures in trust between industry and the USPS, but it's good that we're in a better place now.
- Steve Monteith is going to run Gary's focus session tomorrow.
- There are opportunities to make USPS – Industry relationship better, MTAC better, “we listened to you while working on the price change”.
- Re: concern over open rates if Standard Mail items are labeled as marketing mail: Don't need to say “Marketing Mail” on the envelope, e.g. in indicia. We'll make that happen. Let's focus on growing the business, we will not succeed if we don't do it together.

Sales & Customer Relations Update – Cliff Rucker, Sr VP Sales & Customer Relations

- Cliff now owns the Business Service Network (BSN): We will be customer “zealots”, driving excellent customer experience.
- Shared list of current Customer Service concerns... lack of efficiency in solving the problem, several additional concerns.
- Cliff is committed to meeting and exceeding your expectations.
- We will get better visibility into customer information, employ specialists, communicate proactively, deploy digital tools for self-service and more convenient access
- Reviewed 6 strategies – how he will do it.
- 1/3 of call center will handle inbound, 1/3 account management and 1/3 proactive communications.
- Presented a slide showing specialized roles within the service organization.
- Cliff asked industry to email him feedback to a letter that he said was sent to all customers, send to cliff@usps.gov

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/opensessions/MTACSalesandCustomerRelationsUpdateCliffRuckerSVP.pdf

Research Insights – Dan Barrett, Director of Customer and Market Insights

- Mail Engagement Trends:
 - Rise of Digital slide, from emarketer.com – marketing spend by channel
 - There are challenges with Digital Advertising.
 - Reissued the mail moment survey, compared 2016 results to 2012, increase in favorable top two of 4 segments.
 - Survey shows more businesses plan to spend more next year in marketing mail.
- Jim Cochrane asked: What else do you want to see during this Day 1 of MTAC? Feedback is welcome. Is MTAC working the way it is?

Pricing Update – Sharon Owens, VP Pricing & Costing

- Sharon Owens – Proposed Jan 2017 Pricing Overview – walked through slides used on industry webinar, with the STD Mail Pricing fixes.
- Maybe we need to work through price changes earlier, understand the behaviors the pricing relationships will drive.
- We need to start looking at 2018 ideas now, to have time to work through the impact of the proposed structural changes.
- Expect to hear back from PRC on current Mailing Services filing by the 15th. Expect to publish final prices by Dec 9th.
- Idea: Standardize the way in which new prices are documented/displayed across purposes.
- In regards to the Metered Mail discount, can't assume that it will always be 3 cents as it will be in January (if approved). The CPI Cap math determined the discount in large part, and presort prices fall out based on the meter price.
- The 5-digit spread goes from 2.3 to 3 cents.
- In regards to the rebranding of Standard Mail and Marketing Mail, continue to use your current markings until the USPS decides what they'll do in response to concerns and feedback.
- Idea for next year: Should BPM flats be part of Marketing Mail?

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/opensessions/MTACpricingUpdateSharonOwensVP.pptx

Global Reporting Initiative (GRI) G4 Guidelines - Tom Day, Chief Sustainability Officer

- USPS follows the GRI (Global Reporting Initiative). Promotes standardized comprehensive sustainability reporting.

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/opensessions/MTACGlobalReportingInitiativeTomDayChiefSustainabilityOfficer.pptx

Operations Update – Robert Cintron, VP Network Operations

- Shaky start to the year, but good turnaround in last two qtrs.
- Done a lot around visualization of data and indicators to help improve service in areas where it's needed.
- Focusing on improving holiday performance.
- 280 sites this year will have Surface Visibility.
- Peak Season readiness...
 - Heaviest mailing day will be 12/19
 - Heaviest delivery day will be 12/22
 - 16.3B pieces mail & packages between Thanksgiving and New Years Eve
 - Expect double digit growth in package volume over prior year
 - Opening up 8 NOCs (Network Operation Centers), staffed 24/7 – will track every carrier in the US.

- Election Mail – Reviewed what was done to ensure focus on moving election and political mail, ensuring election compliance and tracking.

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/opensessions/MTACOperationsUpdateRobertCintronVP.pptx

Mail Entry Update – Pritha Mehra, VP Mail Entry & Payment Technology

- The 2017 release schedule has been posted on RIBBS:
https://ribbs.usps.gov/intelligentmail_schedule2017/releaseoverview2017.cfm
- There is a Full Service Assessment fact sheet posted on RIBBS:
https://ribbs.usps.gov/intelligentmail_services/documents/tech_guides/Full-ServiceAssessmentFactSheet.pdf
- Move Update Federal Register Notice - The final rule will be published in December or January and then there will be 6 months for implementation (Census Based Method).
- Regarding Full Service Assessments, invoices will be emailed on the 11th of each month. Mailers have 10 days to pay or request a review. The review will take up to 30 days to resolve. Assessments that are upheld must be paid within 10 days or else considered past due.
- Pritha spoke about the goals of the PostalOne! redesign:
 - Enhance architecture to increase system reliability
 - Address current/future stakeholder business needs
 - Provide state of the art customer experience and usability
 - Provide complete, accurate, actionable and timely data
 - Promote efficiencies across Business Functions.

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/opensessions/MTACMailingEntryUpdatePrithaMehraVP.pptx

November 2016 MTAC Day 2 – Focus Groups

MTAC Focus Group Presentations are posted here:

- Mail Prep and Entry, Operations - All Classes

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/nov2016/MailPrepan dEntryOperationsAllClasses.pdf

- Enterprise Analytics and Data Usage - All Classes

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/nov2016/EnterpriseA nalyticsandDataUsageAllClasses.pdf

- Emerging Technology and Product Information - All Classes

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/nov2016/EmergingTe chnologyandProductInformationAllClasses.pdf

- Payment and Acceptance, Education - All Classes

https://ribbs.usps.gov/mtac/documents/tech_guides/2016/presentations/nov2016/Paymentan dAcceptanceEducationAllClasses.pdf

Payment & Entry – Packages

- Any mailer with MSP indicated on their BCG profile will be able to view the owner of any MID.
- Some discussion around errors in eVS sampling that drives assessments in the PAF. (DHL Global, Newgistics, FedEx SmartPost, UPS SurePost)... Pritha requested that we document specific types of errors so we can see if there's a way to address them.
- Pulse Items:
 - PO! has a 30 minute time out, logs you out even if active (raised by John Medeiros)... in place due to recent cyber events.
 - IMpb Aggregate Report – offline – implementation date is March 2017. Pritha asked attendees to work with Ken to validate their reports (online), and move away from offline report.
- PO! Roadmap Objectives:
 - Compiled 125 pain points. Differs based on if packages or mail.
 - Reporting (~80% of respondents) is the biggest, then account management (~75%), edoc processing (~30%) data provisioning, pricing, manifest processing, verification services, then payment (about 5%).
 - Asking the PO! Roadmap WG to get specific about what's needed on reporting.
- Payment Modernization:

- Release 1 deployed Sept 2016... Enterprise PO Boxes is in pilot. Supports ACH debit and Trust methods.
- Expanding to additional customers in November.
- Release 2 & 3 in 2017, tied to PO! Roadmap. 2 is non-permit products. 3 is eVS and EMMS accounts.
- IMpb quality Metrics
 - Now 10 metrics.
 - Merge 6 categories down to 3.
 - A new extract view will be available in (March) Spring 2017 – all non-compliant packages.
 - Final Recommendations completed 9/30/16 and submitted 10/3/16.
 - Will establish a new WG to recommend a new final threshold for Address Quality for January 2018.
- eVS IMpb Vendor SW Certification
 - Would be listed on RIBBs.
 - New clients using the vendor's SW would not have to go through as vigorous a certification.

Steve Monteith & Karen Key – Product Innovation - Packages

Price Change Overview (Karen Meehan)

- PS LW up 8% this year.
- CP PRC review complete – November 18th (filed Oct 19th), Friday or following Monday.

Karen Key

- Parcel Pickup Service Expansion
 - Expanded to 394 new zips
 - Now 121 zips in CA, most expansion is west of Mississippi and southeast.
- Parcel Return Service RDU Expansion
 - 7,718 current locations to drop
 - Adding 8,150 locations
 - Contact your operations integrations specialist
- Parcel Return Service RADDC Expansion
 - Clients can drop off parcels and pick up their returns (Parcel Select)
 - CT Valley is one of the locations
 - NSA Only, contact Ken Bailey of Dennis Nicoski
- SWP (Scan, Weigh & Pay) Update
 - USPS is testing outbound with one customer, been a slow rollout, client has had technology challenges
 - Test will go for 6 months, and evaluate for expansion of outbound
 - Will migrate some outbound parcel business to post payment process
 - Will be a platform to grow the returns business

- Provides a simpler shipping option to improve the client experience
- Deployed upgraded scales in APBS doing same in APPS and SPSS... Improved the dimensional imaging equipment.
- Will merge SBP and SWP for returns to make it one product.
- Per Karen: USPS Sales makes the decision as to which clients can move to SWP.
- It could eliminate random sampling.
- With MRS, USPS doesn't provide piece level data.... Get total volume and postage, with SWP you get package level detail.

Product Simplification

- From Pulse of Industry report – Group E PO Boxes – plan to implement March or April next year. These are people with street addresses that USPS doesn't deliver to, but instead has a PO Box assigned where they do... system will audibly alert, and print a label to apply to redirect.
- Simplification is an ongoing effort. Pricing, Standards, etc.
- Process will work like this.... Identify list of ideas to work through, share and get feedback. Narrow down to what goes into price change process... use MTAC. See what is doable in terms of pricing and implementation (for USPS).
- Steve Monteith asked attendees to submit Simplification ideas or suggestions, to get them into the queue for consideration in a future rate change... prepare to discuss them at February MTAC.

Steve Monteith – Product Innovation – Standard Mail

2016 Promotions Update

- Participation volume recently matched the total volume that they had **all of last year**.
- 37% growth over 2015 in volume. Mobile Shopping continues to garner most participation.
- They see that participants maintain higher volumes in the post promotion period, this year there is a 16% differential between non participants and participants... participants mail more, and sustain an increase in volumes even after the promotion.
- Noted that the eDoc submitters get the discounts.

Earned Value Promotion:

- 480 Enrolled
- CRM pieces 386M
- BRM pieces 33M

Emerging & Advanced Technology

- 213 Registered
- 196 Participants

- 4.7B pieces mailed
- No users of A/B Testing option

Tactile, Sensory and Interactive

- 228 Registered
- 164 Participants
- 1.5B pieces mailed

Personalized Color in Transpromo

- 160 Registered
- 52 Participants
- 552M pieces mailed

Mobile Shopping

- 667 Registered
- 657 Participants
- 3.8B pieces mailed

Post promo surveys – getting them completed is still a challenge, USPS has sent 2 reminder emails, 213 respondents of 480 registered for the completed promos. The EAT & TSI promo surveys will go out soon

Mail Entry Issues were mentioned....

- No samples submitted at time of mailing.
- Missing mailing statements
- Incorrect CCR file promo codes
- Submitted pieces don't qualify for the promo, don't meet requirements
- Final Submission requirements are that TSI pieces must be submitted to program office too.

2017 Promotions Calendar Update

Earned Value Reply Mail promotion is now 6 months long, and offers 5 cents (vs 2 last year) credit, for every piece of CRM, BRM and Share Mail. **IMPORTANT!! Must register before end of this year to participate next year.**

Requirements Documents were published on RIBBS.

<https://ribbs.usps.gov/index.cfm?page=mailingpromotions>

Direct Mail Starter – New promo for smaller mailers. Easier requirements to meet to participate, max number of pieces that qualify for discounts is 10,000.

Personalized Color in Transpromo – There are “Baby step” qualification requirements for new participants, just use dynamic color, personalization is not required. Makes it easier for first time participants to use the promotions.

2018 ideas will be accepted and begin review in December, hope to wrap up review and agree on 2018 promotions in February.

Task Team 24 – MSP Promotions Incentive completed their effort and made recommendation to file with PRC to apply the MSP incentive on a 2017 promotion (TBD).

Standard Mail to Marketing Mail Name Change

- To address concerns about impact on open rates, USPS is conducting research to understand it. Will be 18 month transition at best. May not require name markings in indicia.
- Concerns were expressed about the perception that the change will make it sound like junk mail. Consumers read 'marketing' and think 'junk'.

Informed Delivery Update

- Northern Virginia pilot participants were upgraded to same version as the NYC pilot recently.
- USPS is deploying some equipment updates in their network.
- Expanding regionally in 1st half 2017. Start national campaign around NPF.
- 11 mailers testing, about 39 ID campaigns. Learning what works to create click throughs.
- Will be updating ID emails based on COA in January Release.
- For now, will not allow mailers to opt out of having images of their mailpieces sent/posted to recipients.
- Mail.dat updates to enable mailers to submit Informed Delivery data is planned for a Jan 2017 release.

Enterprise Analytics & Data Usage – Packages

Juliaann Hess reviewed industry performance for October 2016 (IMpb Compliance Metrics) and Quality Metrics.

- AQ is 93.52%, SSF Quality 94.86, BC quality is at 98.51%... this AQ figure includes the missing secondary errors.
- WG 178 has issued its final recommendations. 69 metrics down to 10. Assessment of AQ will be deferred till July 17.
- There will be a new MTAC Workgroup (in July 17) to decide on targets for AQ metric for January 2018.
- Will reduce 6 compliance categories down to 3 quality categories beginning Jan... looks like will be late (march).
 - Today: IMpb present, SSF 1.6+, Address or DPV in SSF

- January 2017: AQ, SSF Quality and BC Quality
- There are verbiage changes on the way to USPS tracking pages, many in regards to status related to Shipping Partners.
- USPS has implemented New Visibility Events... event code 30 (No Access) and 57 Local Weather Delay, also Animal Interference (?), 58 = held at PO at customer request, or parcel locker full and pulled back to PO. 71 = Delivery Delay... went out for delivery and didn't make it when it was supposed to and came back to PO for retry.
 - Pub 199 will be updated with these codes by end of next week and published on RIBBS. Many are Stop the Clock events. Will be part of the Pub 199 updates.

Jim Wilson – Address Management Update

- Cass Cycle O has been deferred to 2019, encouraging vendors and mailers to incorporate new features and rules though.
- Late in 2017, there will be new military address descriptors OMC and (?)
- IMpb ACS Shipper Paid Forwarding has been available since January 2016... 2 large clients were onboarded in July. 100K forwards per month, about \$1-1.2million per month in postage.
- SHA256 encryption in must be in place no later than July 31st 2017, mailers must upgrade. Vendors have made changes to their addressing products.
- ACS Best Practices in Address Quality has been completed, will be posted on RIBBs in next 30 days.
- USPS is exploring a solution to add College Move info into COA... doing some testing.
- RFS – new Remote Forwarding System – to forward packages or parcels. Manual encoding, ramping up.

Enterprise Analytics & Data Usage – Standard Mail

Steve Dearing presented:

- 76% of Standard Class mail in measurement; in order to measure must have Strat the Clock (STC) and visibility.
- Standard Class Flats are getting no piece scans 53% of the time- represents 18.5 % of total flats.
- Informed Visibility:
 - Pilot, Migration and Release Timelines published on new RIBBS IV page:

https://ribbs.usps.gov/index.cfm?page=informed_visibility
- Surface Visibility expanded to 113 sites (in an addition to 260 current; many are drop ship sites)
- Drivers now have SC scanners at 134 sites

Robert Cintron presented:

- Broken bundles are the number one cause of machine stops on USPS bundle sorting equipment.
- Label list changes L003/L801 are being consolidated.
- L003 entries will be discontinued effective 1/1/17.
- New Lists will include L014 Hub List (effective 1/1/17).

Enterprise Analytics & Data Usage – Standard Mail

Pritha Mehra presented:

- November assessments measure six areas of compliance:
 - Mailer Identification (MID)
 - Service Type Identification (STID)
 - By (Mail Preparer) and For (Mail Owner) fields
 - Barcode Uniqueness
 - Entry Facility
 - Unlinked CoPal

- Move Update Legal Restraint
 - Today, CRID is registered for legal restraint
 - Legal restraint CRID is used to identify mail owner in eDoc
 - In 2017, transition to a MID
 - During annual legal restraint authorization renewal, identify the MID(s) that will be used on legal restraint mail
 - MID must be used in the IMb