



MTAC

June 2018



- **ACS™ Billing Review**
- **Change-of-Address Security**
- **Informed Delivery® Update**

ACS™ Billing Review



Background

- Changes to the ACS billing processes required to accommodate provisioning of **free ACS** for Basic automation pieces for First-Class Mail® and USPS Marketing Mail® pieces following the implementation of the Address Quality Census Measurement and Assessment Process (AQCMAP)
- Chargeback process (suppressed until April 2018) determined which pieces did not meet the below requirements to receive free ACS:
 1. *Bear a unique IMb™ printed on the mailpiece;*
 2. *Include a Full-Service or OneCode ACS® STID in the IMb*
 3. *Include the unique IMb in eDoc;*
 4. *Be sent by an eDoc submitter that provides accurate mail owner identification in eDoc, and;*
 5. *Be sent by an eDoc submitter entering more than 95% of eligible volume as full-service.*

Background

- When an ACS record containing a Full Service or Basic Service Type ID is received at the NCSC, it is immediately provisioned to participating SingleSource customers based on the Mailer ID on the mailpiece
- ACS Full Service records are sent with the daily Shipping Notice marked “No-Charge”
- ACS records containing a Basic STID are sent to mailers daily and marked as “Charged” unless the MID from the IMb™ has previously been identified as meeting the 95% threshold
- All ACS records sent to Seamless Acceptance to determine qualification for free ACS
- ACS records that fail qualification are returned to the NCSC as “chargeback” records to indicate the ACS record should be charged the appropriate fee
- With the implementation of the AQCMAP in March, NCSC created April invoices assessing fees for “chargeback” ACS records

The Issue

- Calculation of invoice amounts included charges for:
 - Chargeback “E” – mailpiece free period expired
 - Chargeback “M” – mailpiece does not meet mail quality standards (IMb™ not 31 digits or eDoc submitter CRID does not meet 95% threshold)
 - Chargeback “N” – mailpiece Unassociated to eDoc
- After April invoice, customers began contacting NCSC for clarification of charges and product codes
- April billing cycle ACS records restored from backup data, invoice charges recalculated to remove “E” and “M” charges
- 251 SingleSource ACS fulfillment customers impacted, notified via email to disregard invoice pending replacement
- Updated invoices provided to customers on May 7

The Issue

- Customers receiving revised May 7th invoices continued to report charges were incorrect
- Review identified missing day from April backup, which prevented correct recalculation of charges for 136 of the first 251 customers
- Periodical mailers meeting 95% Full Service threshold requirement expressed concern charges were incorrect
- SASP and NCSC teams identified variance in how mailers were identified as meeting the 95% threshold in the data file used by the NCSC to override “chargeback” instances

Current Status

- Industry Alert advises ACS customers withhold payment of April and May invoices pending internal process review
- Recalculating April and May invoices to correct charges and issue refunds or credits
- SASP and the NCSC reviewing process that determines chargeback transactions
- ACS invoice production suspended until evaluation is complete

Lessons Learned

- After-action review to evaluate root cause and minimize recurrence
 - Enhance functional testing criteria
 - Ensure documentation updated in conjunction with changes
 - Implement Industry Alert channel for better communication

Change-of-Address Security



Background

COA Support group in Memphis TN established in 2004

- Responds to and investigates COA-related questions from customers, Post Offices, and the US Postal Inspection Service®. Requests range from “Where’s my mail” to reports of suspicious COA activity.

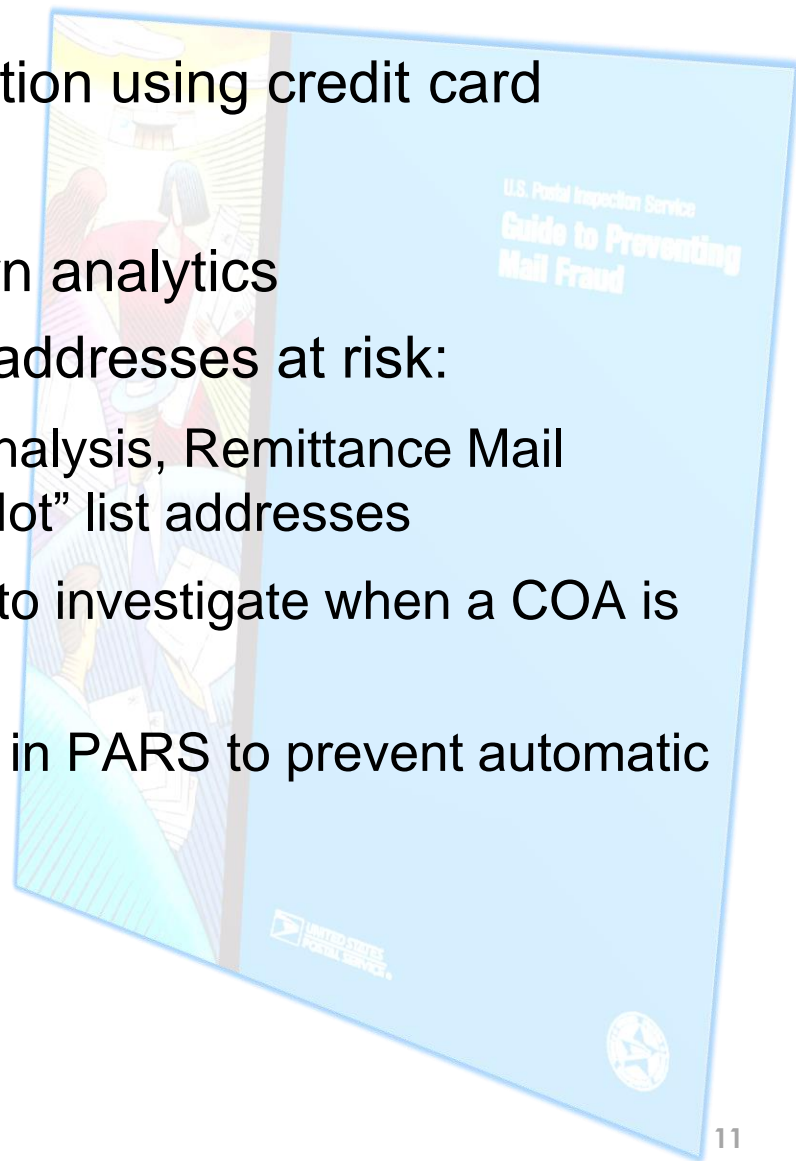
In FY 2017:

- 36.8 million changes-of-address processed (<https://facts.usps.com/table-facts/>)
- 46.2 thousand COA-related contacts handled by COA Support
 - 92.3% resolved as valid after discussion with the customer
 - Remainder were treated as “unauthorized COA” and directed to US Postal Inspection Service for investigation

Only 0.010% (one one-hundredth) of all changes-of-address filed in FY17 were considered by customers to not be valid

Existing Security Measures

- Mover's Guide Online identity verification using credit card
- Move Validation Letter
- Change-of-Address suspicious pattern analytics
- USPS® "COA Watch List" to monitor addresses at risk:
 - Addresses flagged by COA pattern analysis, Remittance Mail addresses, and Inspection Service "Hot" list addresses
 - Memphis COA Support team alerted to investigate when a COA is submitted
 - COA is flagged for "Do Not Intercept" in PARS to prevent automatic forwarding
- USPIS involvement as needed



Enhancement Security Initiatives

USPS® cross-functional workgroups working to enhance existing security, COA validation procedures and fraud prevention methods.

Additional precautions implemented:

- Further pattern analytics
- Business Partner addresses added to the COA Watch List
- USPS Business Alliance alerted if COA detected for local review

Activities in progress:

- Demographic analysis, mail volume fluctuation, etc.
- Improve timeliness of COA entry / MVL production

Additional security measures considered include:

- Requirement for all Business COA to use Mover's Guide Online
- Minimum Lead Time (Example: 30 days prior to move effective date)
- Enhanced identity validation: in-person proofing of hardcopy COAs
- Leverage external identify validation services

Informed Delivery®

Addressing Update

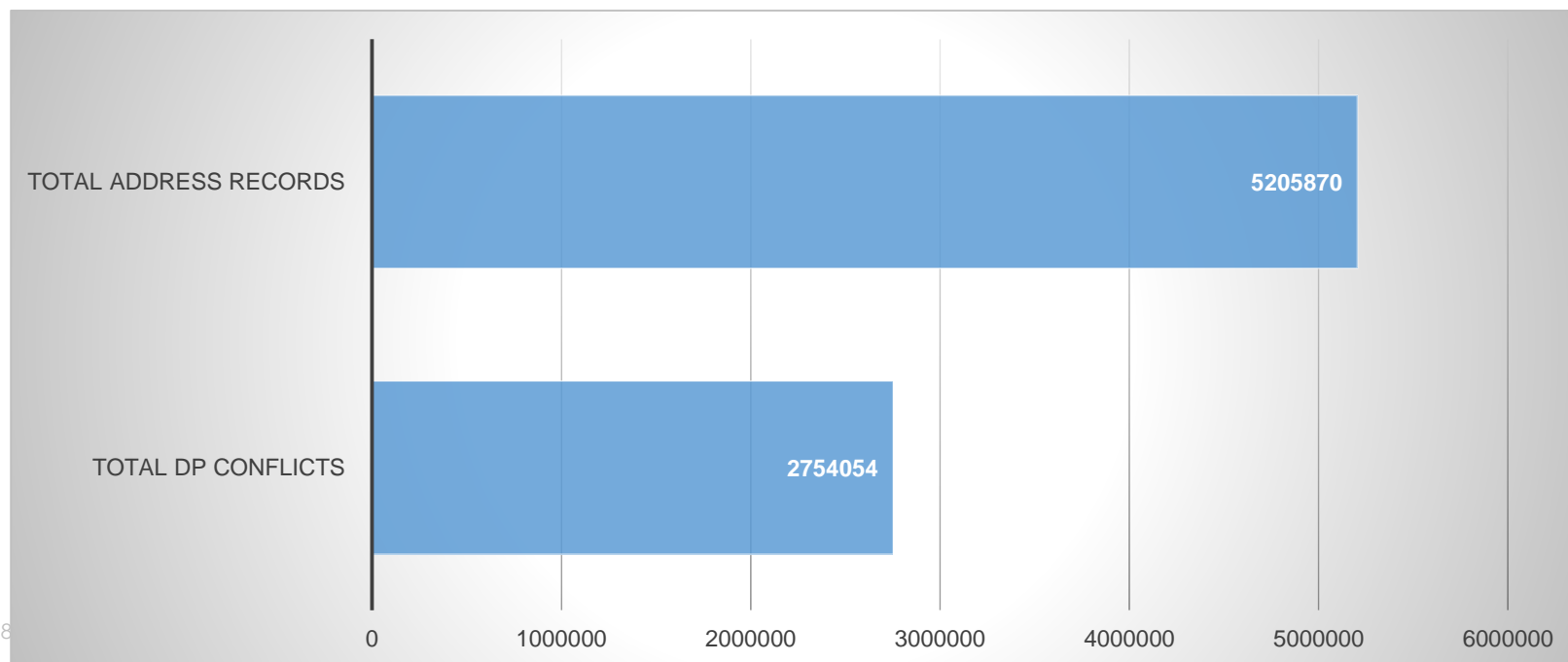


Issue

- Address records currently coded in the AMS database that share the same 11-digit delivery point are ineligible for participation in the Informed Delivery program.

Objective

- Resolve 11-digit conflicts to allow more address records to become eligible.



11-Digit Delivery Point Conflict Resolutions

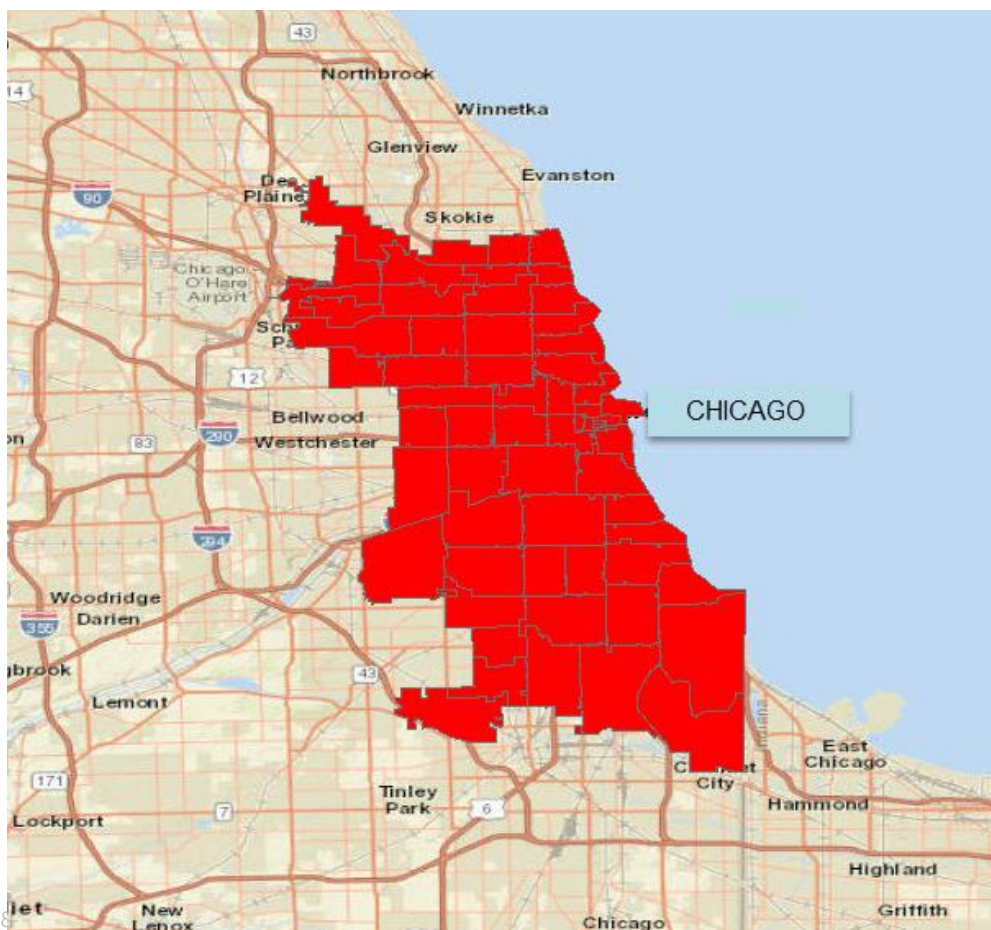
Option 1:

- Convert records to a High-Rise; uniquely assign ZIP + 4® to addresses with colliding delivery points. Potential 96% of the collisions can be corrected using this method.

Option 2:

- Create derivative linkage table similar to LACS^{Link}® that assigns a unique 11-digit delivery point code to addresses with delivery point conflicts.

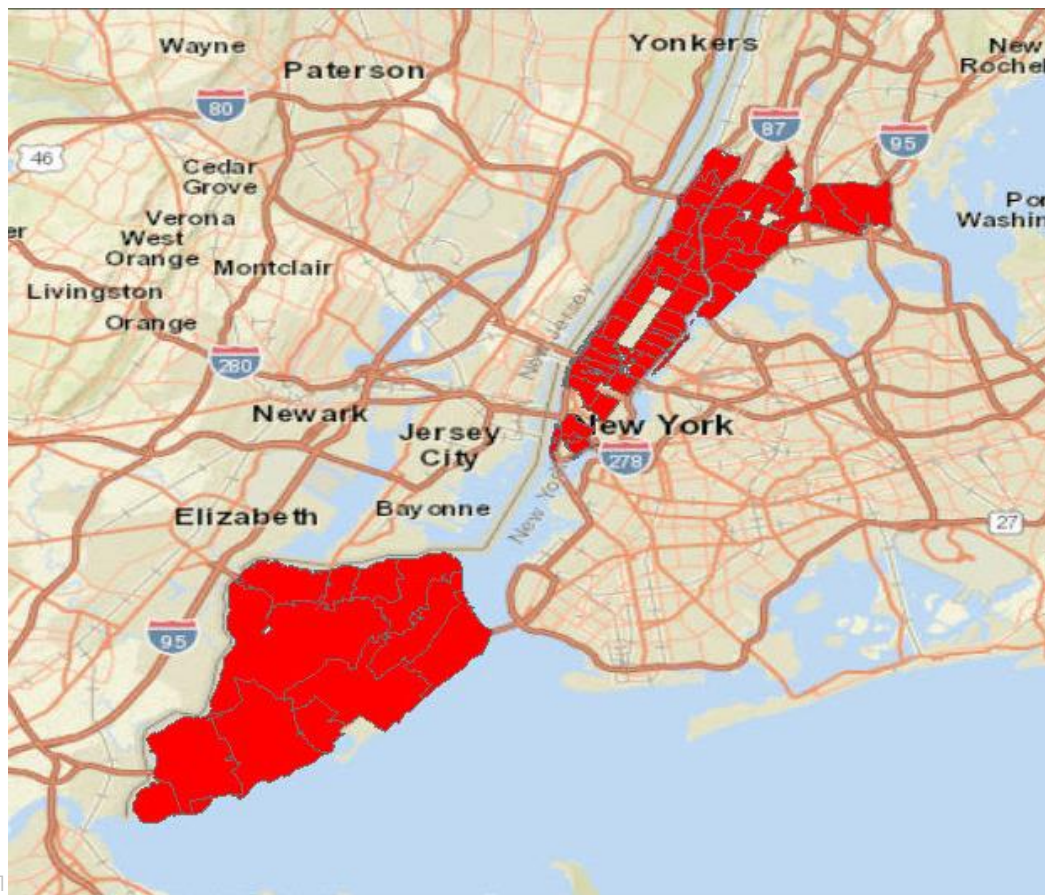
64 ZIP Codes with 11-digit conflicts in the Chicago District. Highest potential for implementing unique ZIP + 4® assignment option.



Seven Largest ZIP Codes with Conflicts for Chicago District

ZIP CODE	TOTAL CONFLICTS
60618	13,814
60647	11,802
60625	9,632
60629	8,972
60639	8,757
60623	7,844
60619	7,729

159 ZIP Codes with 11-digit conflicts in the New York Metro Area.
 Highest potential for implementing unique ZIP + 4® as assignment option.



Seven Largest ZIP Codes with Conflicts for New York Metro Area

ZIP CODE	TOTAL CONFLICTS
11236	12,222
11234	9,141
11214	8,768
11221	7,321
11219	6,923
11208	6,575
11233	6,060

Records Removed from Exclusion File

The Exclusion File is used to determine conflicting addresses that cannot participate in Informed Delivery. Initially, it contained over 49 million addresses. An effort was made to reduce the number of records in it to increase eligibility for Informed Delivery.

- All military APO/FPO records not flagged as firm or business removed as of February 12. Estimated 2 million records removed.
- Nearly 20 million No-Stat records removed with the exception of default No-Stats. Does not include No-Stats with collisions. These must be deconflicted prior to removing.
- Addresses marked as Internal Drop Addresses, CDS and regular No-Stats no longer included.

Reduction effort resulted in 44% decline in address records excluded from Informed Delivery.

- Remaining records primarily Business addresses and 11-digit conflicts.



Thank You!