UNITED STATES POSTAL SERVICE®

GREAT LAKES **AREA INSPIRING MAIL** (AIM) MEETING

Jim Wilson
Dir Addressing & Geospatial Technology

August 16, 2018

UNITED STATES POSTAL SERVICE®

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 continued to express concern their ACS charges were incorrect
- SASP and NCSC teams identified variance in how mailers were being identified as meeting the 95% threshold in the data file used by the NCSC to override “chargeback” instances
- USPS® issues Industry Alert June 2, 2018 instructing ACS customers to withhold payment of invoices pending resolution
- Invoicing of ACS charges suspended in months May - July

Where We Are Today

United States Postal Service®

INDUSTRYALERT

August 10, 2018

USPS to resume billing for ACS-related notifications and forwarding services effective August 24, 2018

ACS customers will receive invoices for all ACS-related notifications and forwarding services effective August 24, 2018. The invoices will contain charges for the fulfillment of ACS-related notifications and forwarding services for the period of July 25, 2018 through August 24, 2018.

On September 24, 2018 invoices will be issued for all ACS-related notifications and forwarding services that were provided between March 25, 2018 and July 24, 2018. ACS customers who submitted Full Service-eligible mailings during this timeframe may request preliminary invoices for review by sending an email to the ACS Support department with a Subject line containing "ACS Invoice Review Request". The email message must include the ACS account number, found on either a recent ACS invoice or from the Electronic Product Fulfillment site where ACS records are retrieved.

For additional information or assistance please contact the ACS Support department at 877-640-0724 (Option 1) or email acs@usps.gov.

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INDUSTRYALERT

August 10, 2018

USPS updates to ACS Technical Guide posted on PostalPro™

Updates to the ACS™ File Format Technical Guide and the Appendix C: ACS™ Product Code Information and Details have been posted to https://postalpro.usps.com/address-quality/ACS.

ACS customers are advised to review these documents for information on new product codes being assigned to ACS records that can be used in the reconciliation of charges for ACS notifications that failed to meet quality standards as described in the Federal Register Notice Address Quality Census Measurement and Assessment Process published October 24, 2017.

For additional information or assistance please contact the ACS Support department at 877-640-0724 (Option 1) or email acs@usps.gov.

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Change-of-Address

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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:

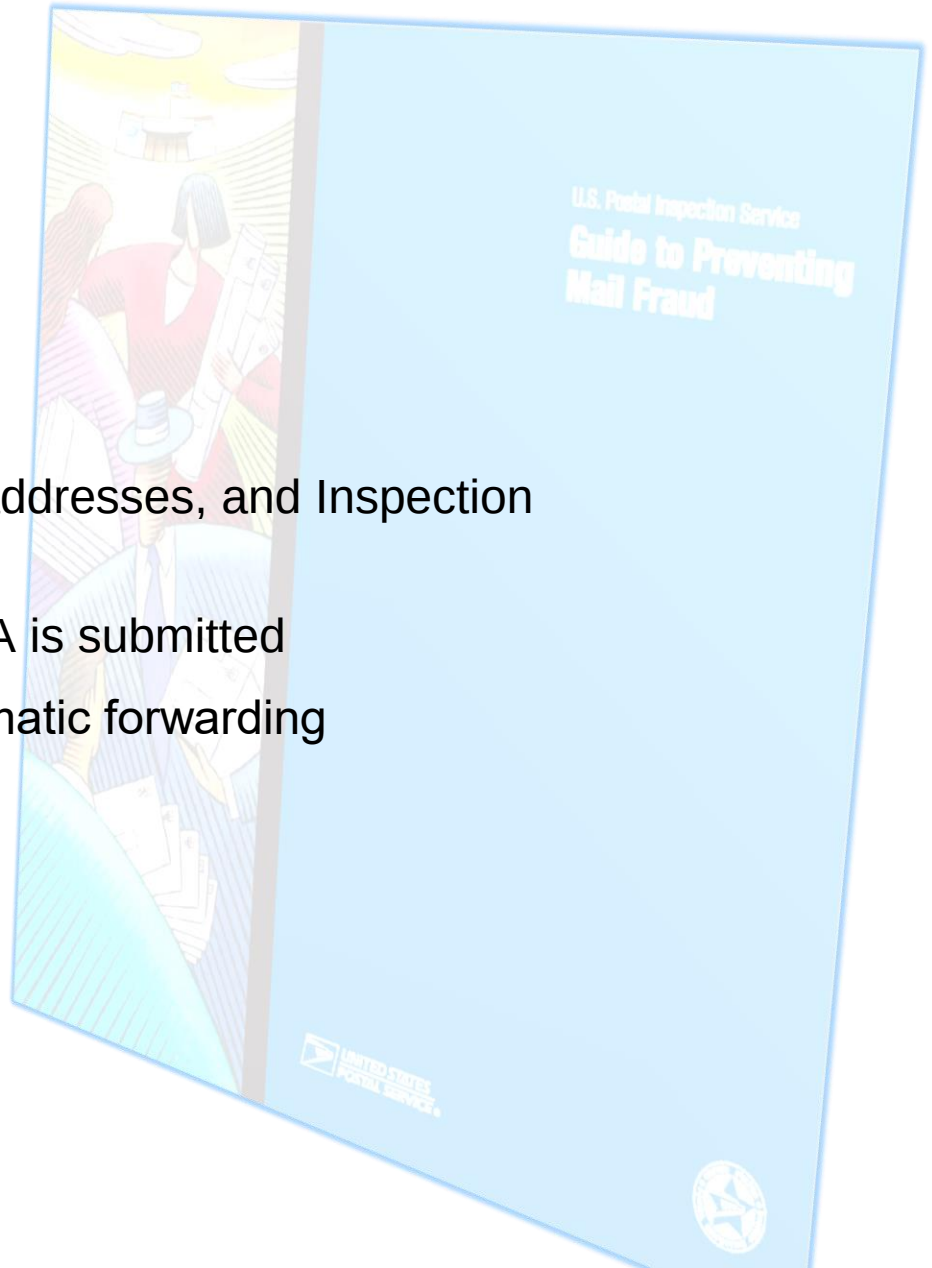
- 36.8 million changes-of-address processed (https://facts.usps.com/table-facts/)
- 46.2 thousand COA-related contacts handled by COA Support
  - 92.3% resolved as valid after discussion with the customer
  - Remainder were treated as “unauthorized COA” and directed to US Postal Inspection Service for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

Only 0.010% (one one-hundredth) of all changes-of-address filed in FY17 were considered by customers to be invalid and potentially fraudulent

- Cases referred to Inspection Service for follow-up

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 being 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

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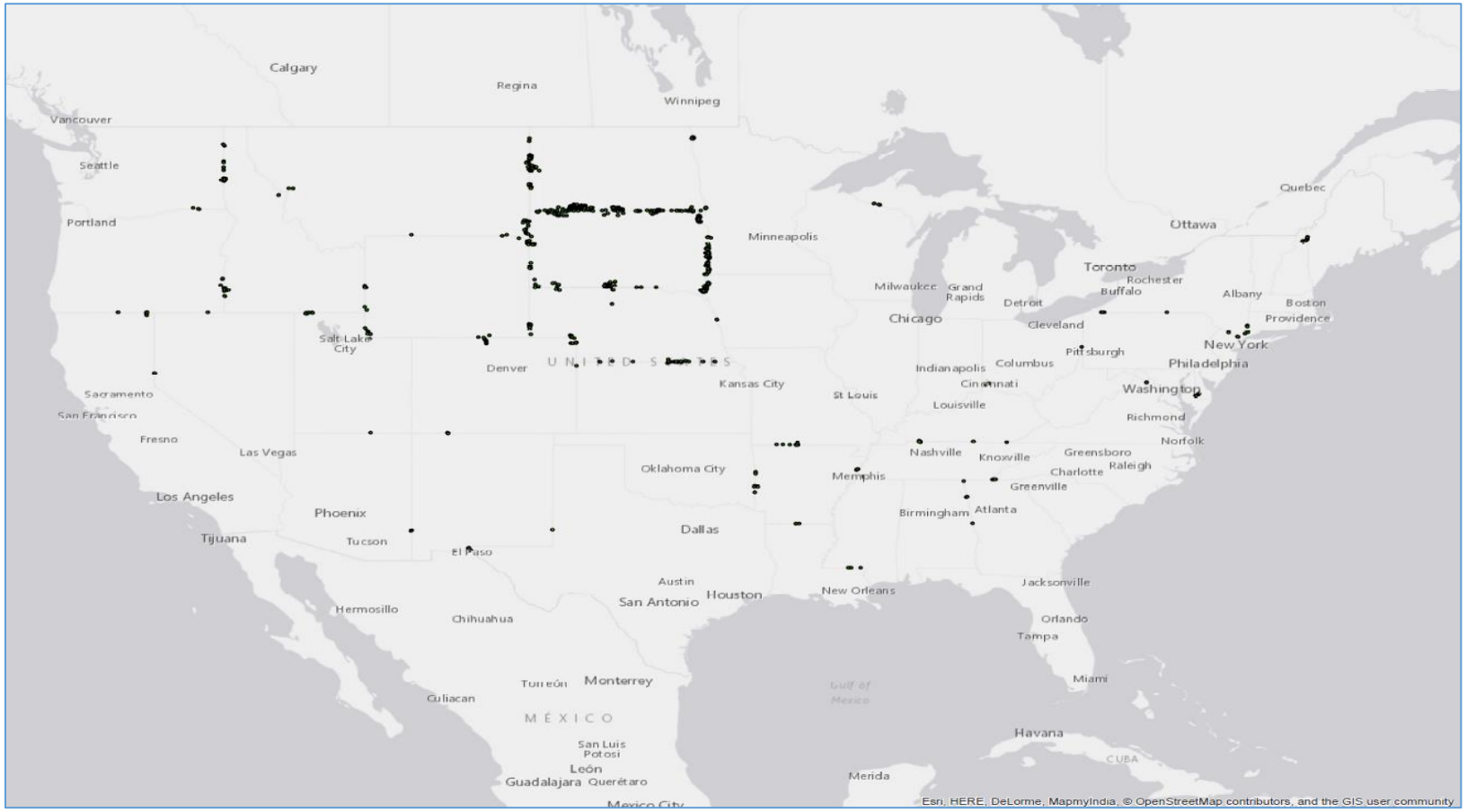
Address Accuracy Campaign

Accurate Addressing Campaign

- 6,300 addresses delivered across state lines
- Customers required to use state designation of delivery Post Office™
- Impacts driver's license, voting registration, etc.
- **Goal:**
  allow customers to use state of residence in address.



AL	72	**CT**	188	**KS**	122	**MI**	36	**MT**	75	**NJ**	38	**PA**	20	**UT**	117
AR	167	**GA**	12	**KY**	117	**MN**	158	**NC**	6	**NM**	335	**SD**	1,075	**WA**	17
CA	89	**IA**	29	**MD**	290	**MO**	7	**ND**	682	**OK**	18	**TN**	1,868	**WV**	47
CO	60	**ID**	278	**ME**	73	**MS**	32	**NE**	160	**OR**	55	**TX**	10	**WY**	100

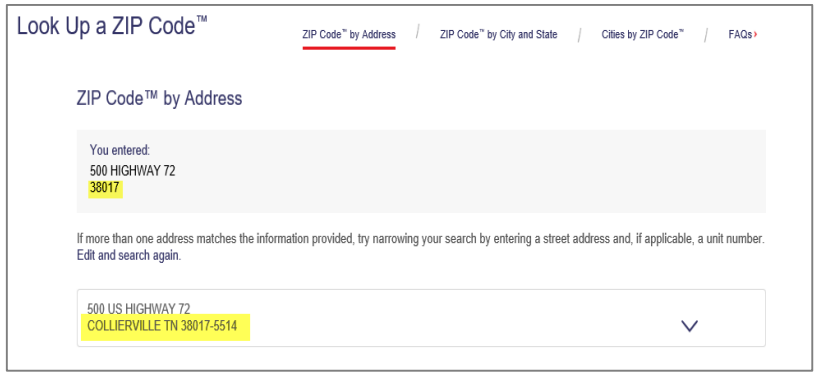
Accurate Addressing Campaign

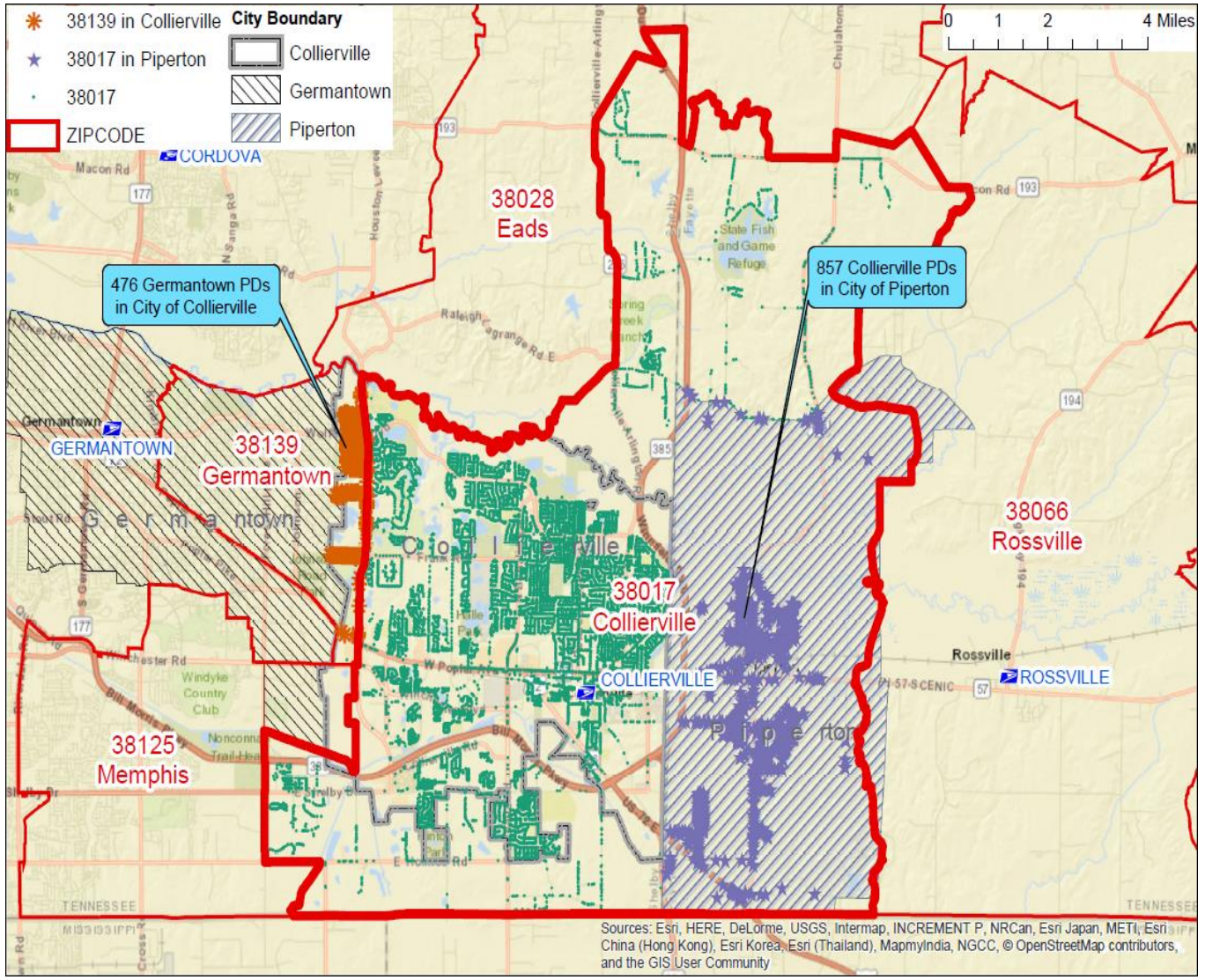
38017 Acceptable Mailing Names

- Collierville
- Fisherville
- Piperton

Geographical Piperton address entered in ZIP Code® Lookup tool returns “Collierville” as city name:

ZIP CODE	CITY	STATE	Mailing_Indicator	Preferred_Last_Line
38017	COLLIERVILLE	TN	Y	COLLIERVILLE
38017	FISHERVILLE	TN	Y	COLLIERVILLE
38017	PIPERTON	TN	Y	COLLIERVILLE





Accurate Addressing Campaign

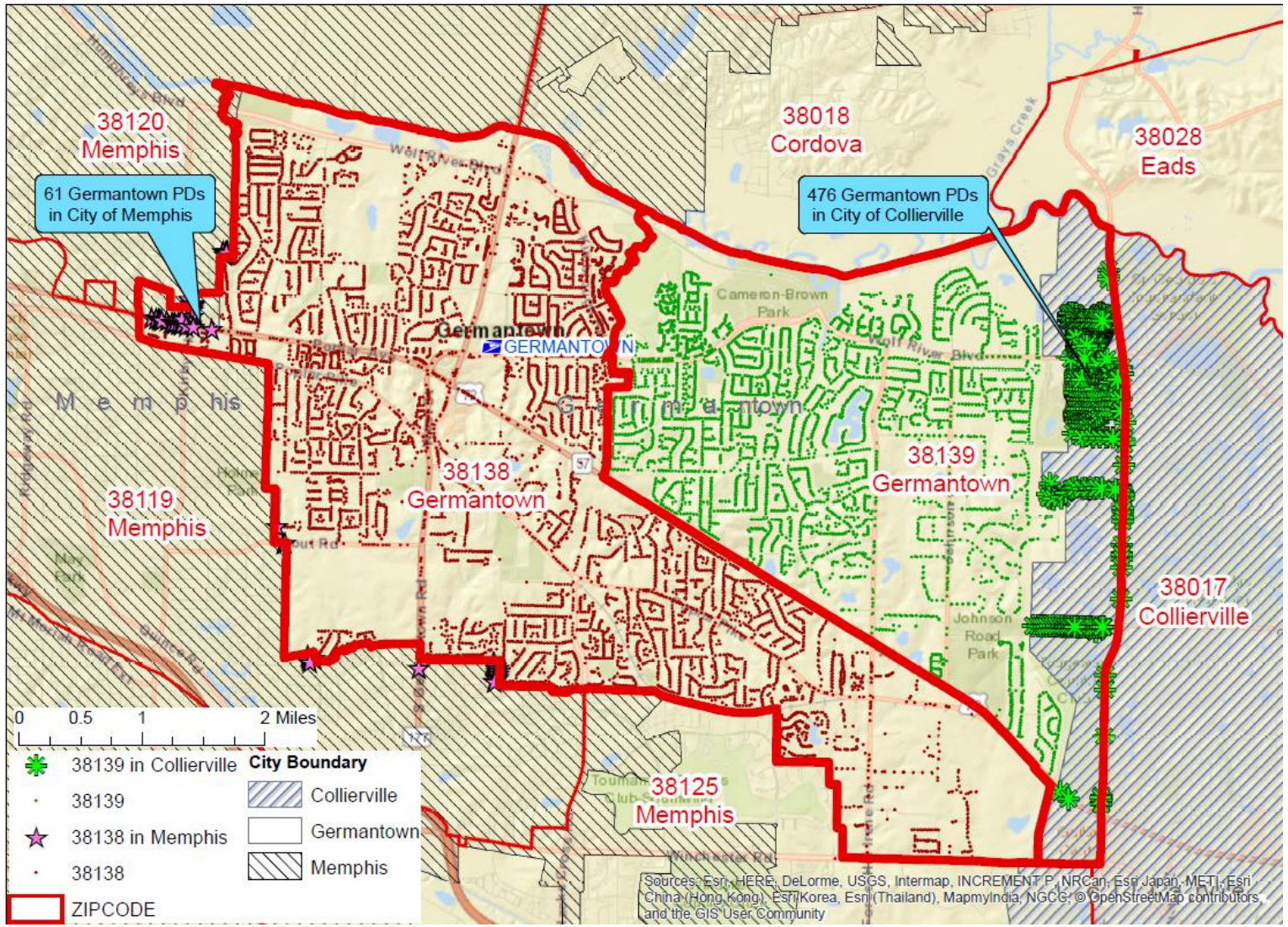
38139 Acceptable Mailing Names

- Germantown
- Memphis

Geographical Collierville addresses must use city name of Germantown.

ZIP CODE	CITY	STATE	Mailing_Indicator	Preferred_Last_Line
38139	GERMANTOWN	TN	Y	GERMANTOWN
38139	MEM	TN	N	GERMANTOWN
38139	MEMPHIS	TN	Y	GERMANTOWN
38139	MPHS	TN	N	GERMANTOWN

Goal:
Update AMS to designate Collierville as an Acceptable Mailing Name in ZIP Code® 38139 and identify individual addresses where Collierville is the Preferred Last-Line-Key



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Secure Destruction

Green & Secure Implemented

USPS BlueEarth® Secure Destruction

- Excluded from COA Errors on the Mailer Scorecard since March
- Reported as COA Warnings, no assessment impact
- 81 current Secure Destruction participants
  - 7 new participants since December 2017

Count	Data Provided	Impact
37,706,085	ACS & SD eNotice for Letters	96.33%
12,356	ACS & SD eNotice for Flats (since February 2018)	.03%
1,424,734	ACS (*no SD eNotice)	3.64%
37,718,441	ACS & SD eNotice Total	

** Processed in CFS. Secure Destruction eNotice not available*

Secure Destruction for First-Class Mail® Flats

- Pilot and testing began in Southern MD P&DC in February 2018. Secure Destruction eNotice from flats provided during pilot when available.
- Flats shredding equipment deployed to all FPARS sites. Testing expanded to other sites.
- AFSM 100 Software change required to improve eNotice generation.
  - Update deployed nationwide on May 17 to enhance data capture for Secure Destruction mail pieces
- Additional development & testing continues.
- Launch date TBD.

National Association for Information Destruction (NAID)

Question: *Will the Postal Service™ maintain NAID certification?*

- NAID Certification developed for third-party information/data destruction service providers.
- USPS® reviewed NAID certification process and determined it is in conflict with USPS regulations to protect the sanctity of the mail as per 18 USC 1708. Participation would not meet USPS security standard and penalties under 18 USC.
- All USPS Secure Destruction processing is performed at a single PARS site:

1. *PARS SD Mail UAA process generates ACS™ notice. (ACS transmitted to NCSC in ACS feed).*
2. *Label applied sorts to Secure Destruction bin. (IMVIS mailpiece data generated & transmitted to NCSC via IMVIS feed)*
3. *Mail transported to Mail Review for individual mailpiece verification*
4. *Verified mail fed into SD Mail Industrial cross-cut shredder; shredded size smaller than NAID & DIN Level 4 standards for Particularly Sensitive & Confidential Data*
5. *ACS & SD eNotification data provided for <u>each mailpiece.</u>*

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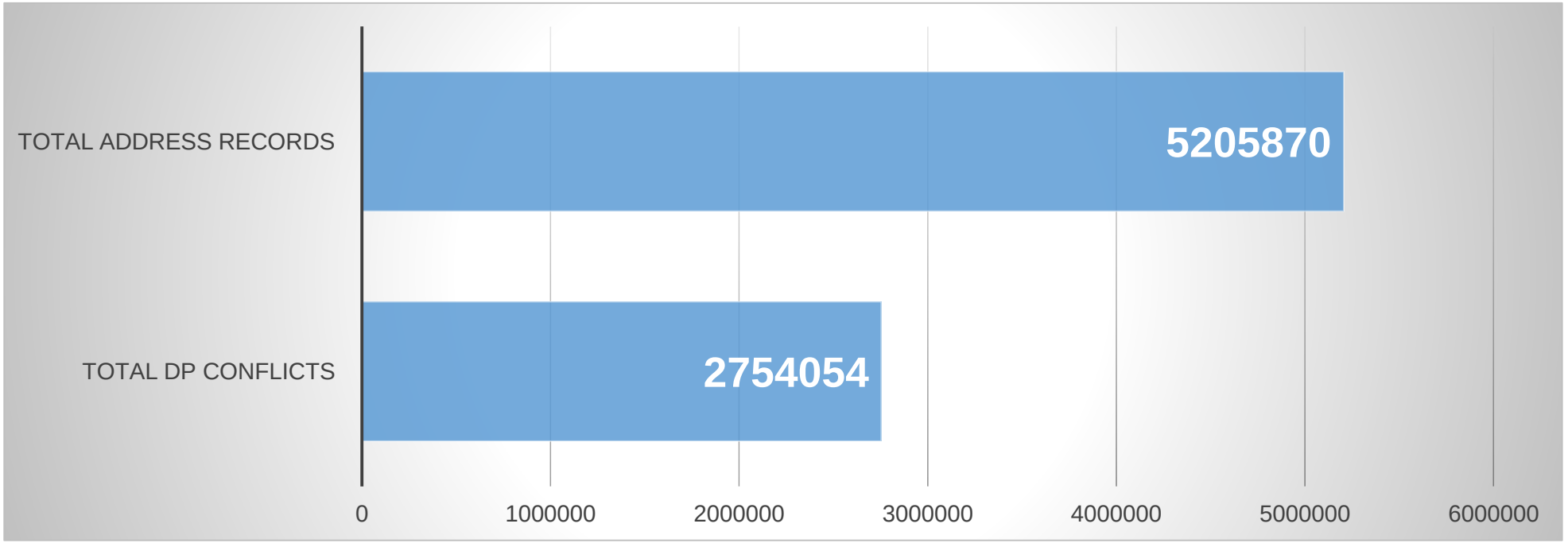
Informed Delivery®
Addressing Update

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 for participation in Informed Delivery.



11-Digit Delivery Point Conflict Resolutions

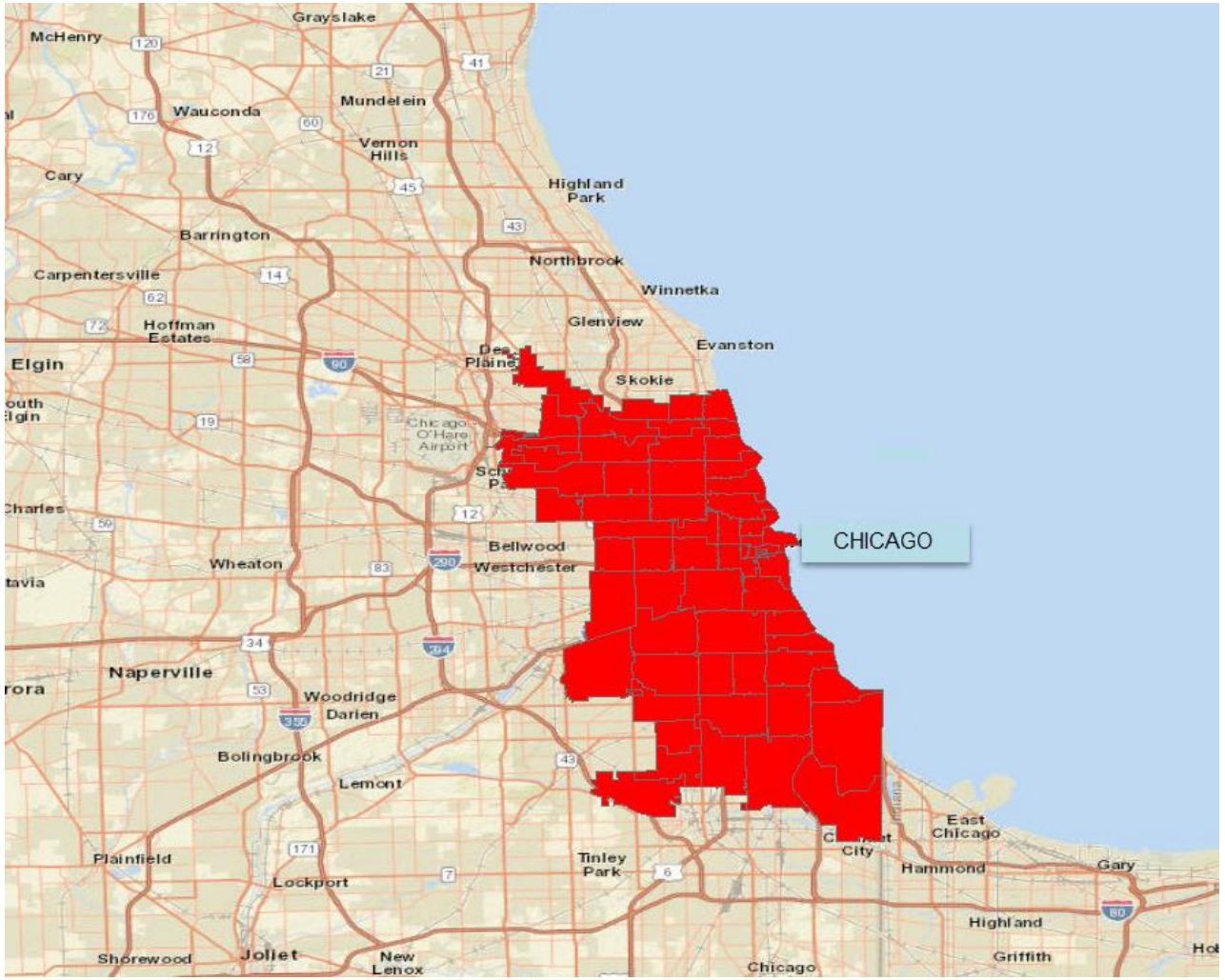
Option 1:

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

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.

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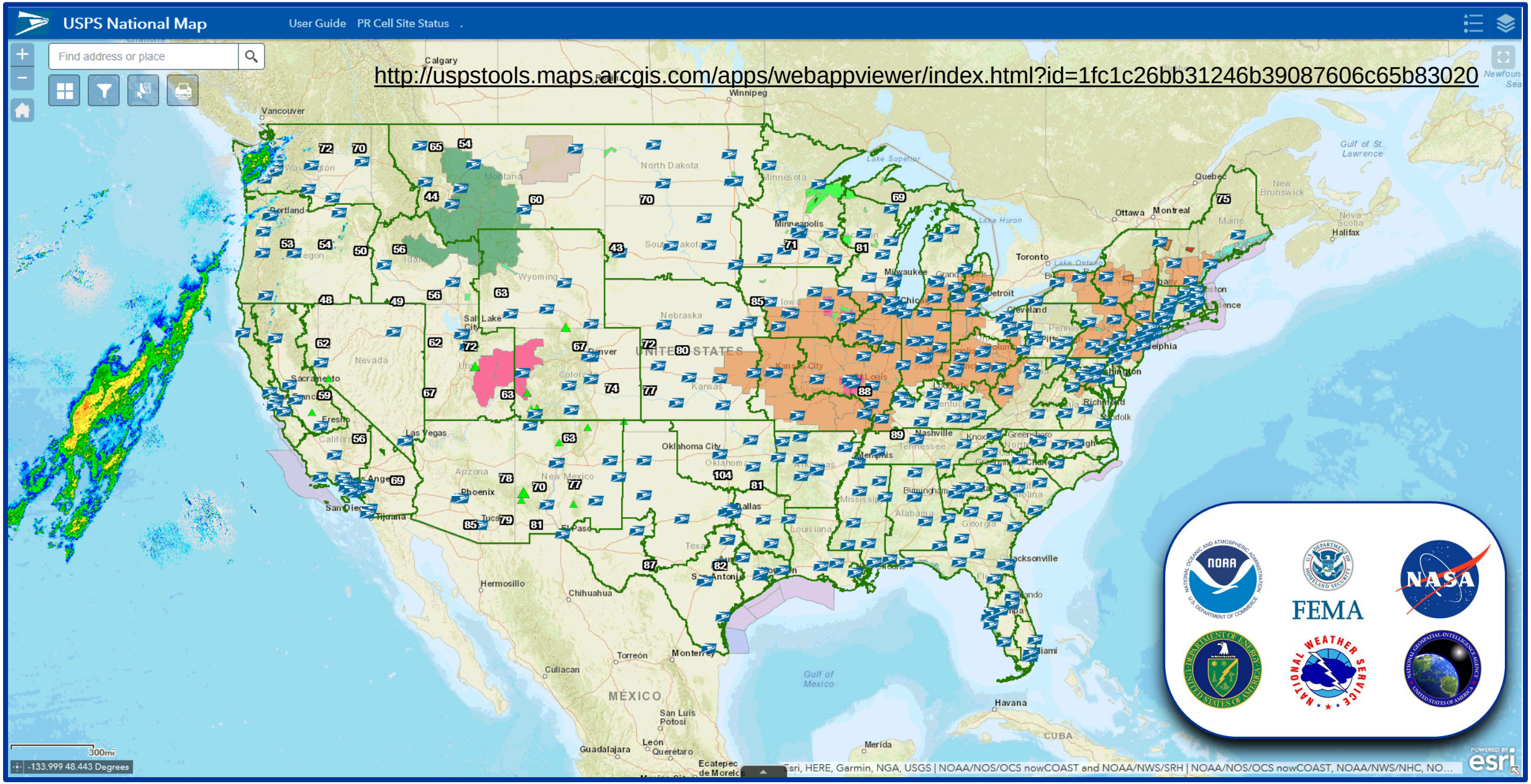
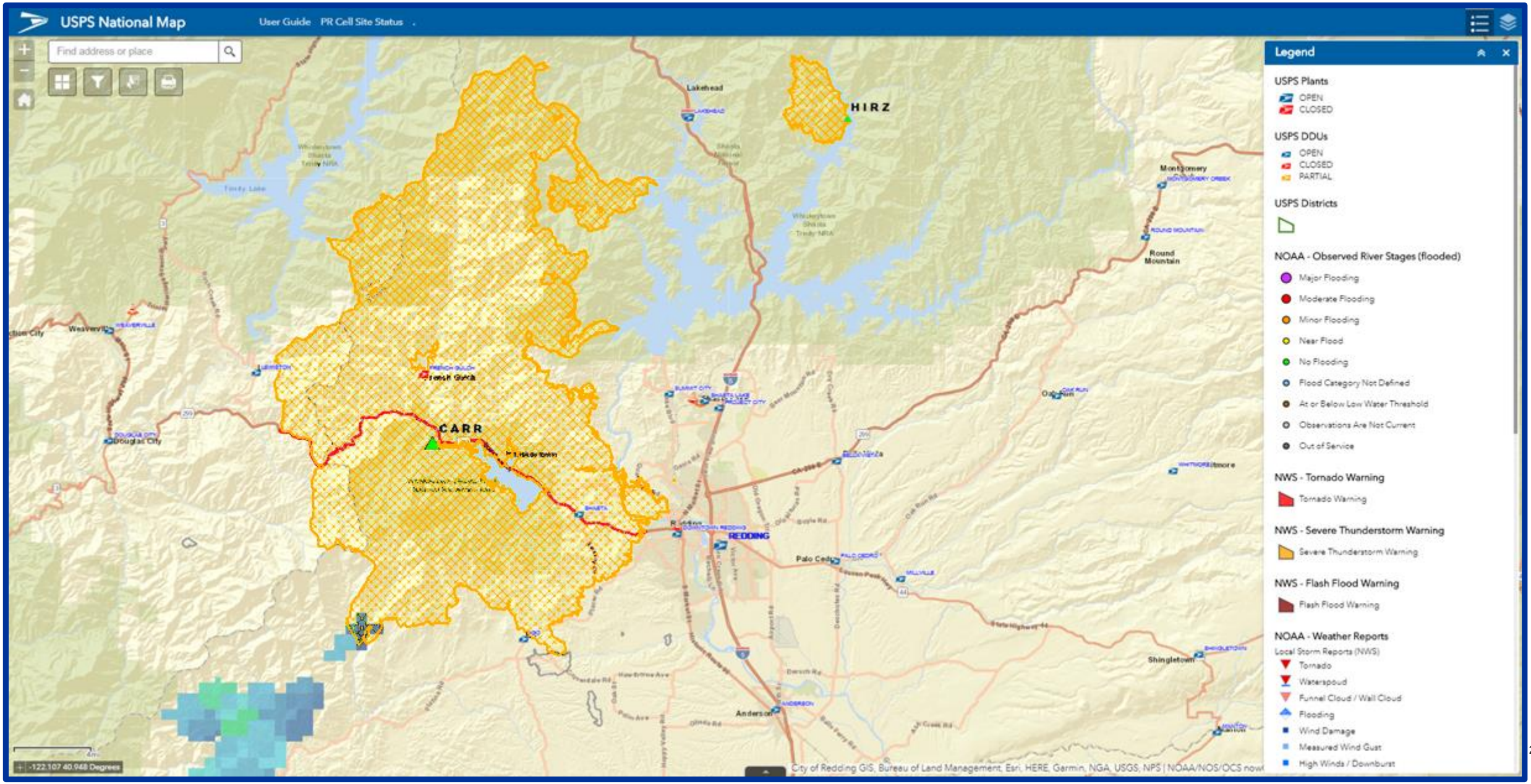
Geospatial Technology Analytics

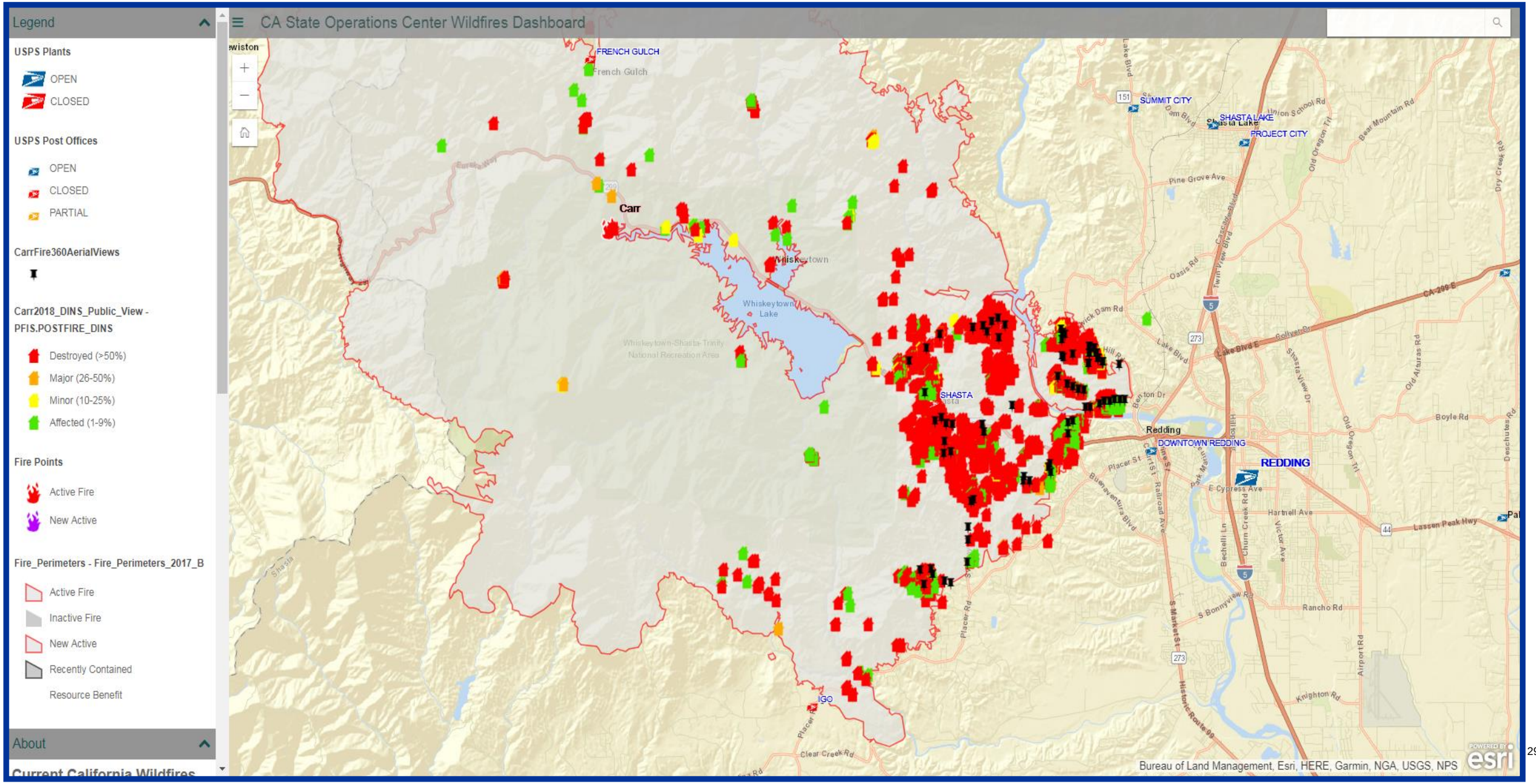
USPS® National Map: Geospatial Analytics



USPS® National Map: CARR Fire



USPS® National Map: CARR Fire – Rapid Mapping



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Thank You!