

# MTAC Focus Group Session Notes

## Wednesday, March 31, 2021

### Customer Experience, Product Solutions & Business Technology

Tom Foti, USPS VP Product Solutions  
Gary Reblin, USPS VP Business Technology  
Kelly Sigmon, USPS VP Customer Experience  
Rose Flanagan, MTAC Industry Leader

#### Attendees: 160

Moderator: Rose Flanagan

Gary has agreed to give an update on Informed Delivery plans/opportunities for Flat mailpieces and Imelda (for Kelly) will provide an update on the action items from the January meeting.

Other topics of discussion as provided by the industry:

- Improvement of communication facility status from field to Headquarters – can industry help?
- Earned Value 2020 Promotion change – unable to use for Single Piece Mail
- What are USPS plans to rebuild its brand after recent service failures
- Premium Forwarding Service Commercial USPS rewrite – update on test plans, recap and go live
- International Mail fulfillment (Dale Kennedy)
- Gary - What are we looking to do on flat mail

<b>Session 1: FLATS</b>	<b>Rose Flanagan, (S. Smith, C. Kliewer), MTAC Industry Leader</b>
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#### DISCUSSION TOPIC

##### Improvement of communication of facility status from field to HQ\*

- Carol Kliewer took lead
- They have talked about this on the last two sessions.
- There are a couple of hot spots still – left and right hands need to learn how to communicate together.
- Thomas Foti – Mike Barber will walk through this with dashboard
- (Dale Kennedy – that was pushed to Steve’s purview, will have to take this offline) as info on the part that we do, he is working on this and being proactive and making plans to lock in who is reporting to whom, what and when to avoid mishaps.
- Mike Barber pushed to Tom Foti-can’t hold call without operations, but Tom will help facilitate. Operations is the content holder

## **DISCUSSION TOPIC**

### **Rebuilding the brand**

- USPS took a big hit last six months, across all the shapes
- What are we doing to improve the customer experience and rebuild the brand
- Tom Foti – spoken to Steve Monteith and Sheila Holman and are in the midst of building a brand equity campaign-may have something to share at next MTAC in June

## **DISCUSSION TOPIC**

### **Premium Forwarding Service Commercial USPS rewrite. Update needed on test plans, recap and go live.**

- Status of this (Sheila Marano gave update)
- Working with Diane Smith's group on the timeframe of CAPS to EPS migration
- Went from 400 to 100 customers
- Bulk uploads Q3
- PFSC August timeline
- Built a list of things that have to happen to ensure success
  - Customer reporting (nothing available like this today)

## **DISCUSSION TOPIC**

### **Latest update on density adder calculation for 2021**

- Tom Foti – doesn't have anything to provide on the adder right now
- Measures change in delivery points-doesn't understand value add
- Pricing and costing tracks
- No comment on this at this point
- Hamilton Davidson – from his perspective this adder would be problematic if it's not released until March and companies can't budget for it. Only ability to deal would be to cut clients based on this – unsure of game plan to make this workable
  - Alternative, USPS postpone use until later – wanted to raise visibility to raise the awareness on this
- Rose – we are not just talking about 2021, every year – we have the immediate situation also
- Budgets are done prior to when adder is available
- Ultimately, it's the BOG's decision to use this
- Tom-no additional insights on how to use. ACR just came out Another layer of uncertainty for our customers and we will continue to raise this with senior mgmt.
- Hamilton Davis-problem for catalogers—not sure if in best interest
- Tom-PMG recognizes budgeting and unplanned costs disruptions and keeps in min when making decisions
- Getting the finalized doc helps to start the conversation

- Hamilton Davis-Continued negative surprises delivered to industry –was hoping that it would be taken off the table
- Tom will take this back

**Chat Question: Upcoming market dominant price change filing in May 2021? Is that correct?**

- Tom not aware of decision on filing
- Hamilton Davis-some companies lock systems going into peak-by his calculation around August is that a possible time frame?
- Foti-no comment on time frame
- David Marinelli – spoke about unplanned increased that upset their budgets (significant increases), he is sure we will see fast customer reactions, pulling out, shifting to more digital channels, etc. It will be interesting to see what comes up
- Todd Black-price changes happen around releases so check calendars for potential dates

**ACTION ITEMS**

- Tom Foti– confirm PRC filing on March 26 that stated price filing will be May 28 is accurate
- Tom Foti- Looking into potential monthly or biweekly meetings on hotspots

**DISCUSSION TOPIC****Single report for all promotions instead of per promotion (Tom Foti)**

- Foti – this is caught up on our priority list – Krista – we don't have anything to share on this currently.
- At last UG meeting spoke about what reports were needed, what we can build and what is available
- Industry looking for CRID level reports across promotions
- Tom – is this for all customers or an individual customer?
- Krista said they can have someone come in on the next meeting to ensure we know what is needed

**DISCUSSION TOPIC****Report enhancements and various ad hocs to be used by customers. (Krista Becker)**

- No resolution yet on this but they are still looking at it. – Krista

**DISCUSSION TOPIC****Earned Value 2020 promotion change-unable to use for single piece mail**

- David Marinelli – asked if Krista needed more industry info to assist with this.
- Darlene Wolff – single piece was allowed last year but not this year
- Krista unsure if it should have been available last year, want's to be sure it is aligned-can accommodate if it fits within requirements
  - Krista to have an update by the next UG8
- Krista is aware of one customer with an issue but if there are others she needs to get an understanding of why they are having difficulty and adjustments that need to be made-asking for mailers to reach out to her by email or to Dave Marinelli and he will pass it along even if they are not in UG8
- Reason it wasn't available? Sometimes a shift in which line items get included, which line items should be checked and need to make sure it aligns with what went to the PRC
- Tom asked how much credit was used for single piece in past years?
  - Credit comes off the top of postage statement
  - Only shows up when mailer has whole postage statement of single piece presort and automation

**Drop Ship Discounts for letter/flats**

- Any thought or discussion within pricing group on drop shipping discounts, or other options – Kurt Ruppel.
- Tom – any changes to MDC, RPC, etc. we are still early in the stages of this and this has to be a component of operational changes. We recognize the importance of communicating this to the industry timely

- David – question on Plan and any promotions/programs that is being discussed or in the works?
- Tom – focus now is operational changes and how to build programs to continue to drive volume
  - Working with operations to evaluate realignment of network—make sure requirements, prep, price structure are represented
  - No detail right now-has to be component of operational changes
- Gary Reblin – including reminders we are continuing to look at ideals for industry to direct costs to increase their customers and we are trying to increase the effectiveness to continue to allow for growth and that kind of thing
  - Social media sharing
- Promotions continue going forward
- Encourage mail growth-effective programs
- Changes in network opens opportunities
- Build off operational changes
- Retention/growth programs
- Any plans to grow market dominant products?
  - Larger discussion about service standards—initial focus on First-Class service standard change

#### **PMG comments**

- DeJoy’s comment in hearing about industry would be losing mail anyway.
  - Tom-I’m unsure what was meant but he is sure he understands that he probably looked at the historical trends, he understands the value of the mail and grow and retain it. It probably didn’t come out as anyone liked but he understands the importance. One of his big objectives is increasing the density and the mail has to be a key component of that
- Rose-PMG comments degrade loyalty to use mail—says to CEO’s that USPS doesn’t care
- David, we have to learn to work together to grow and this type of messaging doesn’t help. The PMG’s statements are not helping. Brand damage to USPS and customers

#### **ACTION ITEMS**

- Krista Becker - to have someone at next UG8 to discuss reporting needs
- Industry to give Krista more examples of not being able to use Earned Value credits on mailings for single piece
- Marketing team—possibly form a USPS/Industry group to help design sales materials on the importance of mail
  - Rose to gather names who was on that

**DISCUSSION TOPIC****International mail fulfillment (Dale Kennedy)**

- (OCPI) Commercial product partner initiative – they will be taking mail from us and delivering it in a foreign country. About 40 countries, phased in over a period of time, start off with priority mail international products to like 5 countries, not being rolled out to late July, early August. Final rule hasn't been put out yet. Understand the need for system changes. One big change for countries a part of this-will require a slightly diff custom form that is being created and require a customer invoice which we will provide as well.
- Haven't put out final rule yet-want to give international mailer times at least 90 days advance notice to customers
- Will be a tool that shows which countries are impacted and will update when countries added. Reduce impact to mailer and recipient.
- Trying to make it as transparent as possible
- Alvin Serrano asked about the requirement of invoice being attached. Also, about test requirements. It is confirmed and is being written in.
- Merry Law – asked about delivery to post office boxes using this service. Most countries don't allow. **Dale will ask international colleagues and get an answer back to her on this.**

**ACTION ITEMS**

- **Dale Kennedy—clarify possibility of delivery to post office boxes via Commercial Product Partner initiative**

**GARY REBLIN**

FLATS IN INFORMED DELIVERY

**In 2020, 14% of all interactive campaigns completed were for flats****Metrics for CY 2020****Flats**

- Total completed campaigns: 5,256
- Average click-through 0.78%
- Campaigns during the Promotions (Sep-Nov): 2,291

**Letters/postcards**

- Total completed campaigns: 31,640
- Average click-through 0.77%
- Campaigns during the Promotions (Sep-Nov): 12,044

- We have other programs that do better
- The same ratio was in effect on the flats side

## Current state of visibility

- Informed Delivery depends on particular flats scans, or triggers, which are transmitted from Informed Visibility (IV)
- Improvements were made in summer 2020 to address timeouts in the transmission of triggers from IV
  - Reduced from upwards of 15-30K daily missed triggers to 0
- Improving container scanning and proper nesting continue to be a priority for the organization
- 
- We had issues in summer 2020 with triggers, fix has been put in place and is working well
- Looking at improving

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- Improving container scanning and proper nesting continue to be a priority for the organization
- We haven't felt the ground swell on this as yet
- We are continuing to put out through informed delivery workgroup, what is making the biggest impacts, what should be done?
- What a discussion around it and allow anyone to work on it and how can we eventually get to next on flats and wants input from industry
- Carol – believes saturation mailers are interested in doing more mailings and would be interested so sign her up
- Hamilton Davidson – given the costs situation, anything we have to pay for in contributable cost would be problematic. What is the cost? Gary, negatable, we are already getting 15-20% in flats. We already getting system supports, etc, he doesn't believe it would be an issue.
- ACTION: Gary – we will take it back as an item to UG#12 and get the volunteers to hear and they can come up with a plan to make this a priority for next year.
- Gary offered to work with Carol Kliewer on some campaigns this year if she would like
- Todd Black – ballpark how many flats are triggering scans now with updates (mid to high 90's) but needs to verify that (if they are registered for informed delivery).

## ACTION ITEMS

- Gary Reblin looking for volunteers from UG 12 on flats, saturation or EDDM on manual process mail and building systems to deal with flats in ID for FY2022

## IMELDA BRUCE

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### **Action Item 1: More individualized communication/messaging for customers when contacting the CCC with issues regarding periodicals, flats, ect.**

We conducted additional text analytics using the words "magazine" and "large envelope".

- FY21 December month magazine terms are 0.31% and large envelope terms are 0.11% of all voice interactions
- Most conversations about magazines are related to inconsistent or mis-delivery and COA forwarding time period questions
- Conversations mentioning a large envelope are mainly related to tracking an item, notice left and postage cost inquiries

In addition, we are in process of learning a new data text mining tool which will allow for better visibility and quicker identification of specific issues based on products or locations. With this new tool in place, we can provide updated messaging for individualized issues.

### **Action Item #2– info/discussion on nesting reporting and scanning issue. Also, to find out if this can be applied to remittance mail.**

Specific workstreams have been kicked off to ensure accurate, meaningful and consistent tracking visibility across all channels.

Some of the areas of focus for the workstreams are:

- Container Nesting
- Scanning and Visibility Infrastructure
- Employee and Customer communication

Ongoing discussion is in progress within USPS on application of nesting/scanning to Remittance Mail.

### **Action Item 3 – possibility of expanding messaging in Informed Delivery or other avenues on mail issues.**

We are in process of conducting analysis on cases to identify scenarios, and the types of proactive communication that we could provide to customers.

- For Tax Season 2021 – we are developing standardized language for the field
  - Will apply to applicable zip codes for use in replying to customers who open Service Requests (SRs) related to items destined for IRS addresses.
- In future, proposed system enhancements currently under development will be used to provide customers with messaging:
  - Informs customer of the delivery process to IRS addresses
  - Explains what action they might need to take, etc.



**Action Item #4- How many calls to the CCC were received during peak and what were answers?**

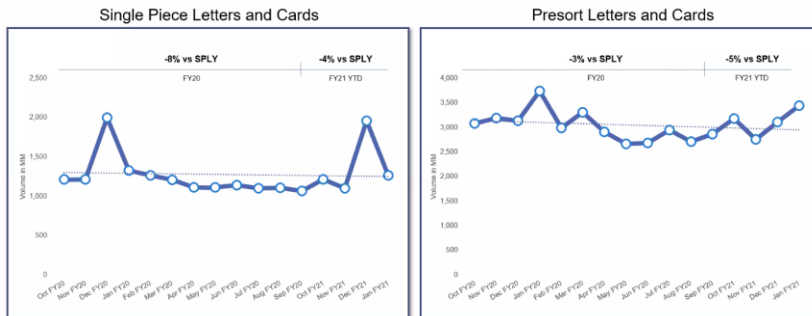
- In December 2020, volume to the Customer Care Centers was 15,416,201. This is a significant increase from 2019 volumes which were 9,217,103. This is a 67% increase from 2019 to 2020
- Package related inquiries\* were approximately 40% (6,173,230) of all calls received in December 2020 as compared to 2019 where close to 47% (4,306,130) calls were package related.
- The automated self-service tools handled 79% (11,083,085) of all calls in December 2020 as compared to 66% (5,470,217) in December 2019.
- Of the 6.1 M Package related calls in December 2020, 4.3M were handled with the use of our self-service tools as compared to 2.7M in December 2019.

**Action Item 5 - Reorganization changes: USPS needs to continue to right size and make appropriate changes to reduce costs. What is the plan to manage possible "brain drain" as a result of VER acceptance**

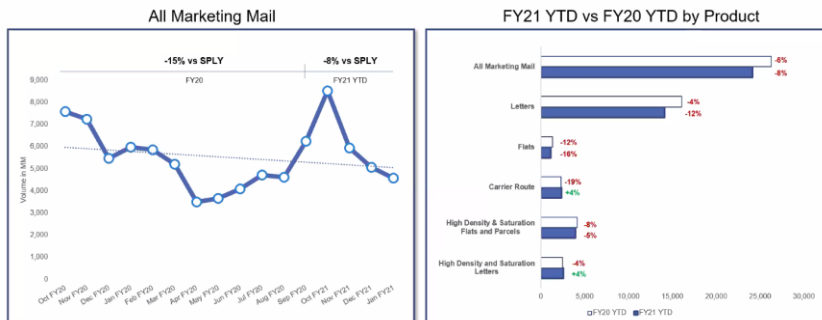
As this VER is not incentivized, it is not clear at this time how many eligible employees will take this option.

**TOM FOTI**

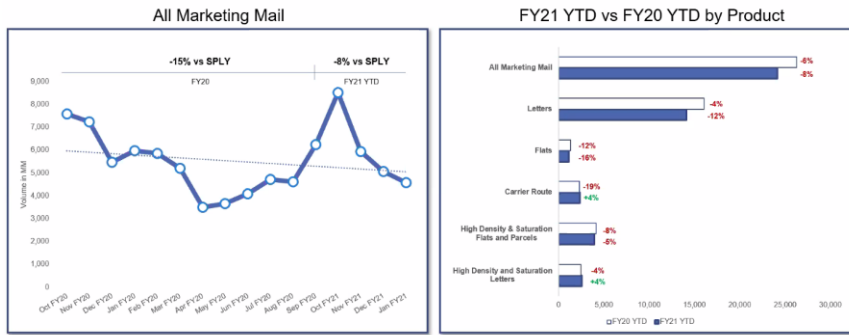
**First-Class Mail Volume Performance (FY21 YTD through January)**



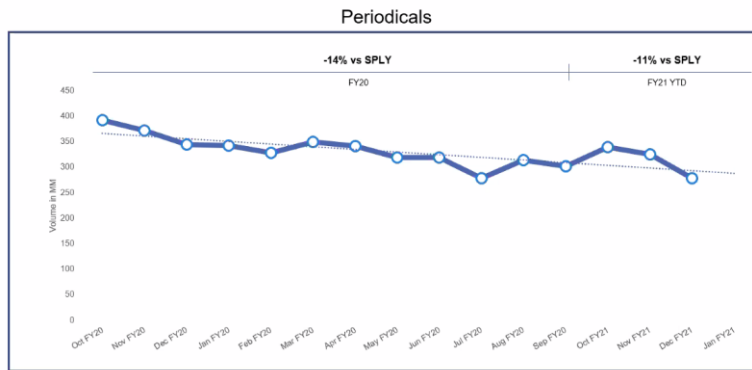
**Marketing Mail Volume Performance (FY21 YTD through January)**



## Marketing Mail Volume Performance (FY21 YTD through January)

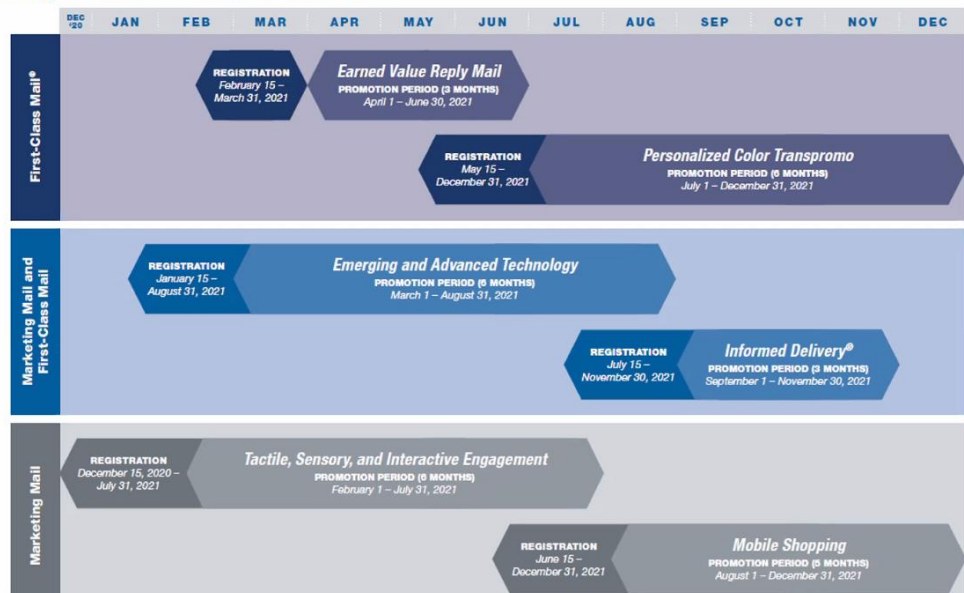


## Periodicals Volume Performance (FY21 YTD through January)



- There seems to be a sense of optimism out there right now, but we would have to dig a lot greater into our data to get a closer look

## 2021 Mailing Promotions Calendar



## CY21 Promotion Performance

- 2021 Tactile Sensory Interactive Promotion
  - Promotion Period: February 1 through June 30, 2021
  - Participation as of March 22<sup>nd</sup>, 2021:
    - Volume: 261M
    - Revenue: \$61M
    - Participants: 59
- 2021 Emerging & Advanced Technology Promotion
  - Promotion Period: March 1 through August 31, 2021
  - Participation as of March 22<sup>nd</sup>, 2021:
    - Volume: 413M
    - Revenue: \$95M
    - Participants: 219
- 2021 Earned Value Promotion
  - Registration closes on March 31<sup>st</sup>
  - ★ Enrollment as of March 25<sup>th</sup>, 2021: 380 Participants
- Today is the last day to enroll in Earned Value

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### PACT Act and ENDS/E-Cigarette/Vaping Rules

- Law Enacted December 27, 2020
  - Added Electronic Nicotine Delivery Systems (ENDS) to Jenkins Act and PACT Act
  - Requires new rule implementation no later than 120 days from law enactment
    - Defined ENDS as: any electronic device that, through an aerosolized solution, delivers **nicotine, flavor, or any other substance** to the user inhaling from the device: including - e-cigarette; e-hookah; e-cigar; vape pen; advanced refillable personal vaporizer; electronic pipe; and any **component, liquid, part, or accessory of a device** as defined about without regards to whether it is sold separately from the device.
- Proposed rule published in Federal Register (FRN) on February 19, 2021 for 30-day comment period
  - Comment period closed March 22, 2021
  - 15,800 comments received
  - Still analyzing comments and potential impacts on Final Rule
- Final Rule issued and effective no later than April 26, 2021 ★
  - Roll out April 26, 2021
  - Will USPS allow any applications prior to this?
    - Yes, but it will be effective per the roll out date – Dale Kennedy
  - Tom discussed exceptions rule and necessity and the process
  - Clarifies that the rule outlaws shipping but requires that USPS has to have exception process
  - Received over 15,800 comments from customers--significant – potential for overwhelming (misunderstanding on some customers parts thought that that we were limiting their products and not alcohol or tobacco, or that they couldn't mail biz to biz etc.)
    - Reasons:
      - Industry is more disbursed—tobacco is more consolidated

- Organized response campaigns with forms/templates
  - From cannibus distributors, companies that recycle parts, CASA-want's people to switch from combustibile to vaping
  - One person submitted over 95 times
  - A lot of repetition most from individuals
- Reason for special authorizations early – has to be B2B. If we don't give opps early, paperwork has to be verified and completed and we'll turn them around as fast as we can. But until final rule is finalized we can't.
- Chuck Tricamo—have to have all processes in place—can't turn around as fast

## Discussion on DOA Mail

### Mail Identified As Beyond Effective Date

- Industry Concern:
  - Mail was delayed past effective date during Peak Season issues
  - Mail was delivered to consumers creating bad customer experiences for Mail Owner, MSP, and consumer (examples – past sale dates, past event days, after election, etc.)
    - Need process where mail owner and/or MSP can be notified about mailpiece, volume, and locations;
    - Provide instructions for desired disposition for mail
- Proposed Solution:
  - Working with Processing Operations and BSN to re-establish Dead-on-Arrival (DOA) Mail process for plants and BSNs
    - Plants would identify mailing meeting criteria that is still containerized;
    - Plants would contact local BSN with image of mailpiece, quantity, and location where mail was found;
    - BSN would contact MSP/Mail Owner and request desired disposition for mail
      - Deliver it
      - Pick it up
      - Recycle it
- No Timeline for Implementation at this point
- Dale Kennedy – discussed due to industry complaints on the process
- How and if it impacted service standards (will be handled offline with Steve Dearing)
- Hope to have it up by June MTAC session

## ACTION ITEMS

- Dale Kennedy--DOA mail, medications and pharmaceuticals--process to handle these products (outside the DOA process)

## CHAT BOX

### From Mike Plunkett to Everyone: 02:14 PM

this is the perfect time to wait until the normal cycle....revenue will be above plan by billions and USPS still has \$10bn available from Treasury that it hasn't touched yet

### From Mark Fallon to Everyone: 02:14 PM

USPS filing with the PRC on 3/26 states: " upcoming

market-dominant price change, which the Postal Service expects to file on or about May 28, 2021." is this correct?

**From Bob Fisher to Everyone: 02:15 PM**

By August it is possible to give a reasonable estimate of the Density adder range. Deliveries growth is stable and predictable. Volume change by August should be relatively predictable. The share of Institutional cost is also surprisingly predictable. I think it can be predicted as +/- one percent. How the Postal Service applies it to actual rate increases is the larger unknown.

From LR to Everyone: 02:16 PM

The 3/26 filing let us know only that there's a cat in the bag. When it gets out, we'll know how large the increase will be.

**From Judy Antisdal to Everyone: 02:17 PM**

I think we need the option to make things happen without waiting for a year or two. I understand the software changes and everything else in the background, but we are not speaking to the immediate need or changing seas upon us. More flexibility is needed, and our message is stale. Refresh and refresh quickly is what we need to do.

**From Todd Black to Everyone: 02:20 PM**

All you need to do is look at the 2021 PostalOne release schedule and you will see the possible increase dates.

From Bob to Everyone: 02:20 PM

The Strategic Plan as well as some responses to questions regarding its Market Dominate products, leaves a perspective that there is not much USPS can do about "mail"... Can you share any specifics or initiatives being discussed on plans for your market dominant products? Are there plans or initiatives to grow it? If so what kind of strategies are you discussing?

**From Judy Antisdal to Everyone: 02:20 PM**

Thanks Todd

**From Mark Fallon to Everyone: 02:22 PM**

Thanks, Rose.

**From LR to Everyone: 02:24 PM**

As of the most recent (February) CPI, released in March, the "cap" for a less-than-annual filing is 0.68%. A late May filing would be based on the April CPI.

**From Mark Fallon to Everyone: 02:27 PM**

Leo - isn't the cap based on the average of the previous 12 months?

**From Kathy Siviter to Everyone: 02:27 PM**

but then add the potential 5.5-7.5% for the new PRC rules...

**From Clifford Tell to Everyone: 02:28 PM**

The cap is actually based on the previous 24 months. When fewer than 12 months have passed, that 24-month calculation is prorated.

**From Cathy Rupard to Everyone: 02:29 PM**

Thank you, Krista!

**From Darlene Wolf to Everyone: 02:30 PM**

What is your e-mail address?

**From Cathy Rupard to Everyone: 02:34 PM**

If we (Judy Antisdell and I) are available if needed

Thank you, Kurt and the rest of the MTAC leaders for this discussion on UG8

**From Bob to Everyone: 02:39 PM**

How much "growth" has those initiatives provided over the past couple of years? You have some numbers?

**From Kathy Siviter to Everyone: 02:39 PM**

Our members are the USPS' front line sales force -- but there is a lack of good "marketing" material for them to use from USPS to help sell...we need some simple case studies and sell sheets that MSPs can use. Not written in DMM-esque...

**From Judy Antisdell to Everyone: 02:42 PM**

I am certain the industry can help you. To grow mail we need to use real case studies...the corner sub shop, the mid-sized nonprofit. Yes, I like to hear about the biggies but in reality, 89% of the possible mailers are not those size businesses. Here for you at any point to help!

**From Kathy Siviter to Everyone: 02:43 PM**

Put together a joint USPS-MSP group to help design some sales materials

**From Judy Antisdell to Everyone: 02:45 PM**

And don't forget the power of PCC's! Here in Baltimore we have postal from all over the US join in our meetings.

**From Bob to Everyone: 02:45 PM**

Market Dominant mail is the only reason that Postal has a monopoly... we sell and service Postal's products and services if you are not going to put efforts into them then what is Industry supposed to do?

**From Carol Kliewer to Everyone: 02:53 PM**

woohoo

**From Judy Antisdell to Everyone: 02:59 PM**

ABSOLUTELY!!!!!!!!!!!!!!!!!!!!!! Give me a call!

**From Steve Colella to Everyone: 03:00 PM**

curious what EMMD volume is

**From Judy Antisdell to Everyone: 03:04 PM**

We have millions of pieces ready to test!

**From Todd Black to Everyone: 03:08 PM**

If 90% of flats are getting visibility in ID, I recommend the USPS update the promotion discount qualification that has removed 5D pallets from the promotion discount.

**From Gary Reblin to Everyone: 03:10 PM**

Todd - remember for flats that mailer still needs to provide an image - from there we get a very reliable trigger to put it in ID\

**From Todd Black to Everyone: 03:11 PM**

Thanks Gary. Agreed.

**From Steve W Smith to Everyone: 03:27 PM**

Another unfunded mandate for the Postal Service.

**From Charles Tricamo to Everyone: 03:28 PM**

Exactly Steve,

**From Mark Fallon to Everyone: 03:33 PM**

Cindy - that you be being a strong advocate on this issue. Lives are at stake.

**From Chris Lien to Everyone: 03:39 PM**

Thank you, John! You've been a great leader and we sincerely appreciate your participation at MTAC. All the best to you!

**From Glen Swyers to Everyone: 03:39 PM**

That would be perfect... Send the chair.

**From Jim Cochrane to Everyone: 03:39 PM**

John you are a rock star...

**From Judy Antisdal to Everyone: 03:39 PM**

THANKS EVERYONE!

**From Judy Antisdal to Everyone: 03:35 PM**

Count me in again! Would love to help USPS with marketing!

**CONSOLIDATED ACTIONS ITEMS:**

1. Tom Foti- confirm PRC filing on March 26 that stated price filing will be May 28 is accurate
2. Tom Foti- Looking into potential monthly or biweekly meetings on hotspots
3. Gary Reblin looking for volunteers from UG 12 on flats, saturation or EDDM on manual process mail and building systems to deal with flats in ID for FY2022
4. Krista Becker - to have someone at next UG8 to discuss reporting needs
5. Industry to give Krista more examples of not being able to use Earned Value credits on mailings for single piece

6. Marketing team--possibly form a USPS/Industry group to help design sales materials on the importance of mail
  - a. Rose to gather names who was on that
7. Dale Kennedy—clarify possibility of delivery to post office boxes via Commercial Product Partner initiative
8. Dale Kennedy--DOA mail, medications and pharmaceuticals--process to handle these products (outside the DOA process)