Talking Points for Unpaid & Counterfeit Postage August Enforcement

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Introduction

USPS loses millions of dollars a year due to counterfeit postage and fraudulent labels. To combat this, USPS will begin strictly enforcing measures to combat and deter this theft. Any piece not bearing proper payment is subject to interception and disposal.

What Will Happen

To address unpaid and counterfeit postage, the USPS will validate payment documentation in real time beginning August 1. Packages that are unmanifested at the time of the first scan at a USPS facility will be intercepted and subject to disposal. The packages will not reenter the mail system and shippers will not be reimbursed for any late postage payments made and/or any resulting losses. The intercepted package may only be retrieved in extremely special circumstances and when there is the capacity to do so.

To prepare shippers for the August 1 enforcement, the USPS has been sending shippers emails detailing late manifested and unmanifested shipments from the week prior. Unmanifested shipments are shipments that have not received a Shipping Partner Event File (SPEF) or Shipping Service File (SSF) prior to the first scan. Late manifested shipments are those that were unmanifested at the time of the first scan but paid for later than 23:59:59 that night, in line with IMpb rules. If shippers did not receive an email from USPS detailing their unmanifested and/or late manifested packages, it likely reflects that the USPS did not have a valid email for the shipper in its records.

What Shippers Need to Do

Shippers must submit piece level or payment documentation prior to entry at a Postal Service facility. After August 1, failure to do so will result in the interception of the package. The USPS will continue providing updates on unmanifested and late manifested package counts. The goal is for these numbers to ultimately reach 0 prior to August 1.

Shippers should also review their MIDs and report any fraudulent activity to the USPS. The Counterfeit Package Intercept Support (CPIS) Team can blacklist these MIDs and IMpbs as needed. Blacklisting allows the USPS to intercept packages at a MID or IMpb level. Whitelisting allows a shipper to allow any pieces to flow through mail processing without interception, however the shipper is responsible for any and all shipments that contain their MID.

Package Interception Mitigation

Blacklisting

Blacklisting is when the CPIS Team confirms through internal validation that a MID or set of IMpbs are fraudulent. A shipper can request to blacklist certain IMpbs if USPS and the shipper are able to confirm that the IMpbs are fraudulent.

Example: A shipper notices fraudulent packages on one of their MIDs. They inform USPS. USPS validates and blacklists the specified IMpb or MID. Packages that use that IMpb/MID are intercepted.

Example 2: The CPIS Team notices that a MID has been dormant for 120 days. The CPIS Team verifies that the MID/IMpb does not have valid volume on the MID and requests that the MID owner not use that MID for future legitimate volume.

Whitelisting

Whitelisting is the ability to allow USPS to forego interception of shipments regardless of manifest status. A shipper can whitelist a MID. The caveat to whitelisting is that if a MID is used for fraudulent activity, the shipper will be financially responsible for the fraudulent shipments as well as the authentic shipments from the shipper.

Example: A shipper may realize that certain IMpbs associated to their MID will always be manifested late. They may choose to whitelist this MID to avoid interception. In turn, USPS will not intercept any shipments under the specified MID.

Quality Shipper

A Quality Shipper is a shipper that has shown exemplary performance in manifesting their shipments on-time, having minimal to no unpaid volume, and other key metrics. Due to this status, they will experience the benefit of having all package volume whitelisted.

*Please inform all customers that Quality Mailer logic is still being developed. More information will be released prior to August 1.

Common Issues:

- Shippers are submitting files in batches. This means multiple manifests are uploaded at one time. This can cause late shipments depending on the volume of the batch job and when it was submitted. If the batch job runs too close to the first scan of shipments, the shipments may not be manifested.

- Shippers are submitting late SSFs without submitting a timely SPEF. Shippers are encouraged to start submitting a SPEF. A SPEF will count as proof of payment/manifest if it is followed by an

SSF by 23:59:59 the same day. The SSF is only permissible after the first scan if it is preceded by a SPEF submission prior to the first scan.

- Shippers are using third parties to manifest their shipments. There is the potential for latency between the third-party's communication with USPS that would result in shipments not being timely manifested as required.

Definitions:

- IMpb – This is the tracking barcode. It is also the Parcel ID in the Non-Payment Metrics email.

- Intercepted – When a package is removed from the normal mail flow and quarantined.

- Late Manifested – Unmanifested packages that was not paid for by the first scan but was paid later.

- MID (Mailer Identification Number) – A 6 or 9 digit number assigned to a Mail Owner.

- Shipping Partner Event File (SPEF) – A file that provides additional visibility (e.g. address information) prior to USPS receiving the package or SSF.

- Shipping Service File (SSF) – A file that contains package data elements and records (e.g. payment) that is submitted to eVS for payment.

- Unmanifested – Packages that does not have a corresponding SPEF or SSF at the time of the first scan.

Resources:

- Account Manager – Utilize your account manager to pose questions and seek clarification

- Non-Payment Metrics Email – Weekly report email that details shippers' late manifested, unmanifested, manifested, and total piece count. Quality Shipper score will be added to these emails in June

- Publication 199 – Details specifications for SPEF's and SSF's

- Webinars – Beginning in May, USPS will host webinars to address questions from shippers

Frequently Asked Questions

General Questions

1. How will the BMEU process change?
   Come August 1, BMEU shippers will need to submit manifestation documentation (SPEF and/or SSF) prior to entry at a BMEU.

2. What is the first scan?
   First scan refers to when the shipment receives a PTR Event Code No. 10-scan on Mail Processing Equipment.

3. What can I do to minimize the number of unpaid pieces at the time of entry?
   To reduce the occurrence of unpaid pieces at the time of entry, USPS recommends that a shipper provide payment documentation prior to mailing any shipment that bears a shipping label imprint or permit imprint (indicia).

4. Is Premium Forwarding Services - Commercial (PFSC) affected by the new process?
   PFSC packages will not be affected by this process.

5. Will there be a grace period for manifests submitted after the first scan?
   No.

6. If a manifest is sent after a piece has already been intercepted, will the piece be delivered or will the shipper be refunded.
   No. The manifest was late, and any fund submitted late will be forfeited.

Intercept Questions

1. If a package has been intercepted, can a shipper pay to retrieve it?
   No. The package will not return to the mail stream.

2. Is there a possibility that my pieces are being intercepted now?
   The described initiative will not be implemented until August 1st. Nonetheless, the postal service uses various methods to identify and prevent the circulation of fraudulent pieces. If any pieces are flagged as fraudulent and are intercepted, PTR messaging provides notice of these events.

3. How do I whitelist an IMpb/MID?
   To whitelist a MID, the shipper is to contact their account manager and CPIS Team email (BWJXQ0@usps.gov) with the MID number, a reason, and the duration (for shipper's system outages) for the whitelist.

   An IMpb cannot be whitelisted at this time.

4. How do I blacklist a IMpb/MID?
   To blacklist an IMpb/MID, the shipper is to contact their account manager and CPIS Team email (BWJXQ0@usps.gov) with the IMpb/MID numbers and a reason.

5. Will there be a daily report identifying pieces that are intercepted? If not, how does a shipper know what pieces were intercepted?
   A daily report does not currently exist. Shippers can obtain interception information by looking at the tracking details of the IMpb.

File Questions

1. What is a SSF and SPEF?
   SSFs are the proof of payment or manifests that shippers must submit prior to a piece being inducted. SPEFs can be added and allow shipping partners and other shipper to provide their customers with additional visibility before USPS receives the packages or the SSF.

2. What is the benefit of submitting an SPEF?
   SPEFs will act as proof of intent to pay, allowing for an SSF to be submitted after the first scan and as late as 23:59:59 the same day. This is the only instance when the USPS will accept a "late" file.

3. How do I submit an SPEF?
   SPEFs can be submitted via the same methods that an SSF would be submitted. More details are included in Publication 199.

Systems Questions

1. What happens if a system outage prevents a shipper from transmitting information?
   If a shipper encounters an outage with any of their systems, they are to contact their Account Manager immediately with the following information: identity of MIDs affected and shipments to be whitelisted. The Account Manager will contact the CPIS Team to whitelist the specified MIDs.

2. What happens if there is an outage with a USPS system?
   If USPS has a system outage, USPS will revert to blacklist intercepts only. If a piece is not on the blacklists, it will be delivered. Live payment checks will cease until the outage is rectified. Furthermore, USPS will continue collecting manifest data for Quality Shipper scoring.

3. Will late loads occur if shippers are utilizing PostalOne! to generate manifests?

Mail.dat files should be uploaded 2 hours prior to shipments arriving at USPS processing facilities. Larger volumes of shipments will need a larger time window between manifestation and shipment delivery to a USPS facility.

4. Will late loads occur if shippers are utilizing non-USPS systems to manifest shipments?
   Shippers will need to ensure that third-party software is submitting manifests timely and that USPS is receiving the data timely. Just because the third-party software is sending manifests prior to the first scan does not mean that USPS is processing the manifests at that time. Therefore, efforts need to be made to ensure the transmission, receipt, and processing of the data is taking place.

5. How will these changes affect USPS Ship?
   There will not be a change. Please note that it is best to send your manifests in as early as possible if not sending an SPEF file because the time it takes USPS Ship to process manifests depends on how many packages are on the manifest, how many manifest files USPS Ship is currently processing, how many corrections USPS Ship makes to the manifest, etc.