

MAILING INDUSTRY TASK FORCE

Promote Development of Intelligent Mail

Recommendation Recap

The October 2001 report of the Mailing Industry Task Force recommended that the industry promote development of the “intelligent” mailpiece by collaborating with the Postal Service to implement standards and systems to make every mailpiece — including packages — unique and trackable.

The Mailing Industry Task Force concluded that additional revenue growth would result from the Postal Service using intelligent mail to improve its ability to provide predictable and accurate mail delivery. The Task Force’s committee on intelligent mail crafted a strategy that proposed intelligent mail programs be developed and implemented based upon whether they provide customer value, use currently-available technology, minimize additional costs to mailers, consumers and the Postal Service, and address privacy and security issues.

In April 2002, development of intelligent mail was included as a growth strategy in the Postal Service’s Transformation Plan. In January 2003, Postmaster General John E. Potter named Charles E. Bravo to the new Officer position of Senior Vice President, Intelligent Mail and Address Quality, and directed him to develop both a new functional organization and an overarching intelligent mail strategy for the Postal Service.

“The Postal Service has made substantial progress in implementing initial intelligent mail products such as Confirm®,” said Task Force co-chairman Michael Critelli, “With the creation of Mr. Bravo’s new position, the Postal Service has signaled its commitment to do even more to continue developing this next generation of mail services. This is remarkably gratifying to the Task Force, and ought to deliver products of exceptional value and utility to the mailing public. That said, we need to build a mandate for change, and to find ways to encourage production mailers to move as quickly in this area as the Postal Service has been.”

USPS/INDUSTRY PROGRESS

- ✓ *Development of Joint Industry/USPS Intelligent Mail Strategy*
- ✓ *Launch Confirm® Service*
- ✓ *Intelligent Mail Focus Groups*
- ✓ *Confirm® Communications Program*
- ✓ *Wide Field of View Camera Deployment*
- ✓ *OneCode™ Vision*
- ✓ *Intelligent Mail Privacy Principles*

Enhanced Products and Services. The Postal Service unveiled Confirm® as a special service offering in September 2002. Continued expansion of access to Delivery Confirmation™ through products such as Click-n-Ship™ show further progress in the availability of intelligent mail services. Shortly after its launch, the Task Force endorsed Confirm® as “a major step forward towards achieving the Task Force recommendation that intelligent mail products be developed in order to make mail more valuable to its customers and more competitive with other communications channels.”

The Confirm® service provides electronic tracking information from mail entry through the automated processing environment for letter and flat mail. Confirm® can tell its subscribers when mail is about to be delivered. Confirm® is rapidly being adopted by customers across a breadth of vertical industries that includes the financial sector, mail order and fulfillment, printers, publishers, advertisers and retailers. Many companies use Confirm® to manage cash flows and accounts receivables, to reach target markets prior to sales, and to effectively promote stronger relationships



with their customers. It is becoming an integral marketing tool for advertisers who are looking to adopt a multi-channel marketing approach, using the Confirm® data to synchronize email and telemarketing events.

The number of Confirm® users that subscribe through the Postal Service has grown 200 percent since Confirm® was launched as a fee for service in September 2002. The volume of PLANET coded mail continues to increase as mailers find new and innovative ways to leverage this service to promote their business objectives – marketing, fulfillment and finance.

Confirm® data is available electronically 24 hours a day, seven days a week, and 365 days a year. The program subscribers' shared reports are available on the Web at the www.Planetcodes.com site. Mailers use Planet codes on seeded mail to get information about larger mailings. The Task Force has also noted that resellers are discovering innovative ways to add value to the Confirm® data reports, and have encouraged the Postal Service to develop a reseller certification program to further incent such enhancement.

To handle customer inquiries, the Postal Service has established a National Customer Support Center (NCSC) as the official helpdesk for the Confirm® service for both customers and postal personnel. This is in addition to the Postal Service's Business Service Network, which is actively engaged in diagnosing delivery problems and resolving issues.

Container and Bundle Tracking. A Container and Bundle Tracking Service is a capability under development by the USPS to enable mailers to track bundles. The Task Force believes it will expand the universe of traceable mail to carrier route bundles where individual mail pieces typically bypass mail-processing equipment and therefore are not candidates for the Confirm® service. The Task Force supports Postal Service efforts to develop the capability to "nest" individual mail pieces in trays and larger unit loads to provide complete end-to-end tracking. With the data generated by scanning the nested piece, Container and Bundle Tracking Service will help customers monitor mailings and manage mail-related business activities more efficiently. The Postal Service will also use the data to diagnose and resolve delivery issues and problems.

Intelligent Mail Infrastructure Development. The Task Force continued to monitor and support deployment of new Wide Field of View cameras – with enhanced optical character image capture capabilities – in postal plants nationwide. Preliminary testing shows the cameras exceeding expectations, and the Task Force remains confident that full deployment of the cameras will constitute a significant step forward in development of an infrastructure necessary to support the USPS intelligent mail vision and strategies. The Task Force sponsored preliminary proof-of-concept tests of the camera's ability to read advanced two-dimensional bar codes.

The Postal Service completed deployment of several key infrastructure upgrades. The Integrated Data Server upgrade provides more powerful servers in processing facilities that can support future needs for near real-time data transfer. The automated flat feeder with optical character reader for the Universal Flat Sorting Machine 1000 extends improved recognition to flats that cannot be handled on the Automated Flat Sorting Machine 100.

Intelligent Mail OneCode™ Vision. The Task Force provided a forum for exploring the possibility of moving to a "one code" vision – that is, the introduction of an industry-wide support for a single enhanced code type to use on each type of mail piece. Such a code would combine tracking, sorting, and other information in a format that could be read by Postal Service barcode sorters. This code, if achievable, would make each mail piece uniquely identifiable while providing a way for customers to request a variety of services through a single machine readable code. Such an intelligent mail code has the potential to improve the amount of footprint on the face of a mail piece to meet Postal Service requirements for sorting, tracking and other services. It will also improve the Postal Service's ability to accurately capture mailer requests for special services and address management products such as address correction.

Privacy and Security Issues. The Task Force has carefully considered public policy issues, such as privacy and security, related to intelligent mail. The USPS and industry are committed to protecting the privacy and security of intelligent mail in accordance with its customary standards for mail, with some additional enhancements. Intelligent mail offers enhanced security for the mail system, as information about both the origin and path of mail through the system is increased. This can serve to detect and deter mail containing materials or fraudulent use of the mail. The Task Force has also balanced and integrated privacy features. Due to the additional information being collected, the USPS has taken steps to protect intelligent mail under the Privacy Act. These protections govern practices including how data is collected, safeguarded, and shared. The Task Force is also committed to ensuring that mailers who use intelligent mail abide by privacy laws and policies applicable to them and their industry.

Intelligent Mail Communications. The Task Force has supported Postal Service efforts to communicate the potential of intelligent mail and to market the Confirm® product. The Postal Service and the industry have worked to identify best practices and applications for Confirm®. Task Force members have participated in a number of speaking engagements in various industry conferences including IDEAlliance, PostCom, the National Association of Presort Mailers and the Postal Forum, and will continue to do so over the coming months. The Task Force is also reaching out to other industry conferences such as the Association for Work Process Improvement. There have been a number of favorable articles about the Postal Service's intelligent mail initiative in print media.

FUTURE ACTIONS

The Task Force will support the following next steps:

- Implementation of the Postal Service intelligent mail strategy.
- Continue to assist the Postal Service in assessing code contents versus database contents, appropriate symbolologies, the impact of intelligent mail on current operating equipment, and the impact of intelligent mail on the Postal Service's information technology infrastructure.
- Continue to promote Postal Service solicitation of intelligent mail samples from mailers, perform pilot tests on intelligent mail, and assist in validation of its cost/benefit value.
- Mail processing infrastructure deployment.
- Future Postal Service efforts to develop bundle and container tracking services.
- Assess focus group results to determine an attractive cost/benefit value.
- Support USPS deployment of updated equipment and implementation of an enhanced intelligent mail program.
- Continue to ensure that the security and privacy of intelligent mail is protected and enhanced.
- Promote publication of coding standards within the ISO framework and coordination of these codes with the Universal Postal Union (UPU).
- Ensure that value and investment are balanced and appropriately staged.
- Development of communications and marketing plans for intelligent mail.
- Promote communication in other industry/trade associations.

INTELLIGENT MAIL COMMITTEE MEMBERSHIP

The Task Force's subcommittee on intelligent mail includes representatives from America Online, Bank One Card Services, ChoicePoint Precision Marketing, Crain Communications, DST Output, Fala Direct Marketing Group, GE Consumer Finance, Hewlett Packard, IBM, Lockheed Martin, Lubenow & Associates, MBNA, Microsoft, Neopost Group, Pitney Bowes, Publishers Clearing House, Quebecor World, Siemens, Stamps.com, Symbol Technologies, White House Office of Science and Technology Policy, and Wolf Envelope. The subcommittee is chaired by Michael Critelli, the Chairman and CEO of Pitney Bowes, and by Postal Service Senior Vice President, Intelligent Mail and Address Quality Charles Bravo, and USPS Vice President, Engineering Tom Day.