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USPS LR-J-184

POSTAL SERVICE / MTAC BUSINESS REPLY MAIL (BRM) WORK GROUP DATA

<u>Description</u>	<u>Page Nos.</u>
Work Group Meeting Minutes	1 - 35
Notes from Plant Visits	36 - 43
Washington P&DC Report	44 - 60

INTRODUCTION

Library reference USPS LR-J-184 is a category 4 library reference being filed in response to KE/USPS-T22-19(B).

**MTAC BRM Work Group
Meeting Minutes
February 2, 2000**

Meeting Attendees:

Sue Taylor, Prudential
Ken Metroff, State Farm
Joyce Bagby, RJ Reynolds
Ernie Brogdon, Intuit
Marcus Smith, UCG
Dick Nye, FirstUSA
Pam Kaivatis, Allstate

Harry Barnett, Core Business
Dave Goldstein, Operations
Don O'Hara, Pricing
Patrick Killeen, Operations
Kerry Troxell, Software
Barbara Babineau, Operations Requirements
Pat Bennett, Acceptance
Brenda Morton, NAM
Johnny Morris, NAM
Wanda Young, Core Business
Tom Cinelli, Core Business

Introductions

Each member of the work group introduced themselves to the other work group members.

Rate Case Update

Don O'Hara updated the members on the rate case filing, specifically the changes to Business Reply Mail.

MTAC Meeting Guidelines

Harry Barnett covered the 10 MTAC meeting guidelines.

Issues Identification

The majority of the meeting was dedicated to a general discussion of customers' BRM issues.

The following list is in order of presentation and not is not prioritized.

- Service - BRM does not receive the same level of service as other FCM. The release of the mail of the final processing may be delayed.
- Accounting - These issues are connected to the service issues as accounting may delay release of the BRM mail. The accounting issues include permits as well as usage. A number of firms pay for the permit(s) centrally and have local BRM users pay the transaction fees.
- Acceptance - There are several topics in this category:
 - Consistency in design, and acceptance of mail pieces across the Postal Service
 - Understanding and Education at customer and Postal sites for:
 - BRM and QBRM
 - Advance Deposit Account
 - ZIP+4 assignment
 - Submission of art work
- There are BRM templates on the USPS web site. These templates appear without instruction.
- Outdated Publication - #353 on BRM is dated 1995.
- There is no educational tool for USPS or for customers - including a list of Do's and Don'ts.
- Not all Post Offices are automated for BRM notification or accounting
- USPS contacts are not consistent:
 - Local Post Office
 - Mail Piece Design Analyst
 - Business Center
- Notification of Business Reply:
 - Permits may be paid centrally for National Accounts.

- Customers authorize any agent or local business outlet to use these permits.
- Customer must send receipts to all Post Offices.
- Post Offices may send notices to agents or local businesses, which may generate confusion of payment of the national permit.
- There can be a delay in getting unique ZIP+4's assigned for new BRM pieces. This delay varies across the country.
- There can be a delay in the approval process for new pieces. This period varies across the country.
- Consistency in service by both time of day, and day of the week, needs to be improved.
- CAPS as a payment mechanism is not available nationwide.

Alternatives and Initiatives underway

- BRM is included in Publications #353 and #25. These two Publications are being combined. A draft was provided to the industry participants. Each will review the document and return comments to Pat Bennett by February 15, 2000.
- Enhancements to the website such as a checklist and a list of Do's and Don'ts.
- Review accounting processes in Post Offices, identify best-of-breed. Contrast automation compatible and manual processes.
- Develop usage data on the web site. Incorporate user feedback into future enhancements.
- Contact the BMAU, webpage owner, Accounting, and Permit personnel at the USPS and add these groups to the work group. Consider the role of the Inspection Service, Inspector General, and Revenue Assurance. Also consult Legal, Engineering, and IS.
- Research opportunities to centralize Permit accounting and notification of permits paid for national accounts.
- Research test program for acceptance in Richardson, Texas.
- Research the opportunity to extend CAPS to additional postal facilities.
- Research new uses for BRM.

Next Steps

- Convene a meeting of Postal groups to analyze issues and design a tentative solution.
- Plan to meet with work group participants at the Forum in March in Nashville.

**MTAC BRM WorkGroup
Meeting Minutes**

Meeting Date: March 21, 2000
Meeting Time: 3:30 PM to 5:00 PM CST
Meeting Place: National Postal Forum, Nashville, TN

Meeting Attendees:

Industry

Sue Taylor, Prudential Insurance, Industry Co-Chair
Pam Kalvaitis, Allstate Insurance
Richard Nye, FirstUSA
Ernie Brogdon, Intuit
Ken Metroff, State Farm Insurance

USPS

Al Laich, Acting Manager C&T, Core Business Marketing, Co-Chair
David Goldstein, Manager P&DC Operations
Van Rouse, Delivery
Tom Galgano, Post Office Accounting
Mary Jean Earley, NAM
Patrick Killeen, P&DC Operations
Tom Cinelli, Core Business Marketing

The first order of business was to introduce Al Laich as the new postal Co-chair. Al has replaced Harry Barnett, who was instrumental in establishing the work group. Thanks to Harry for launching this effort.

Industry work group members had submitted comments to Pat Bennett on the revised Preparing Reply Mail publication. A question of the status of this publication was raised. The publication is in final proofing. Publication is planned for late spring 2000.

The second agenda item was a Progress Report since the February 2000 meeting. Tom Cinelli reported that there have been internal meetings with Operations, Accounting, Delivery, and that additional meetings are scheduled with Accounting and Mail Acceptance. As a result, Post Office Accounting and Delivery have been identified as key Postal resources to the improvement effort, and will be added to this Work Group's distribution list. Other key resources are likely to be identified in the Accounting and Acceptance meetings. The outcome will be reported to the next Work Group meeting.

Patrick Killeen drafted "ideal state" incoming and outgoing mail movement flow charts. These charts will be finalized for the next meeting. Our plan is to use these flow charts to understand the mail flows, and to reference these charts in observing existing operations. These charts will be modified to reflect best practices and to document alternative operating scenarios. Van Rouse observed that plant and delivery unit operations may vary, primarily due to different mail volumes.

Site visits are planned but not yet scheduled to [redacted] (high volume Federal Government [redacted] (Automated Accounting Software) [redacted] (highest volume), [redacted] (highest number of BRM Customers [redacted] Site visits have been made to [redacted] and [redacted]. Additional sites suggested were [redacted] (high volume), and [redacted] (a high number of non-profit users), and the [redacted] Post Office (2 full-time BRM clerks). The suggestion was made to view operations at the plant, the delivery unit(s), and post office(s), in these locations. The goal is to conduct two of these visits prior to the next Work Group meeting. The group remains open to other suggested locations.

Several team members have some performance data on BRM mail. They agreed to compile the data and if possible, bring it to the next meeting for us to review. Confidentiality is assured. The main issue is the time between the cancellation date and the date the mail arrival date.

There was a discussion of delivery unit procedures. This discussion included the variety of methods being employed presently to account for BRM, timeliness and reporting procedures. The timeliness issue is meeting box up-times and caller service pick-up times. These times are specified in each plant's operating plan, which is established annually in consultation with the Area Office. The reporting issues are identifying BRM separately from First-Class mail.

Improving communication between a mailer and USPS plants may prove effective in processing BRM volumes. As opposed to non-letter size BRM, specifically the film processors, the volume of letter size BRM is not consistent. The opportunity would be to set up more formal and regular communications such that a plant and any effected delivery units and post offices could anticipate the volume fluctuations and staff accordingly.

The Daily Mail Condition Report reports the status of mail in Operations. Its oversight committee is scheduled to meet on April 5, 2000. Van will bring to this group a request to report BRM separate from First-Class mail. The report would quantify mail held in a plant or delivery unit, past either the box up time or the time carriers begin their routes.

BRM volume has steadily eroded over the past five years. The volume in FY 1995 was 1.25 billion pieces of mail. By FY 1999, BRM volume dropped 26%, to 925 million pieces. Several immediate causes are the use of the Internet for replies to such things as software registrations and surveys. Another reason is that both the number of credit card solicitations and the positive response rate to these solicitations has declined. The response rate has declined to approximately 1% from 3% on a mailing of approximately 3 billion pieces. A third reason is that insurance agents are frustrated in dealing with the USPS on BRM. The procedures to use the service are complicated, product knowledge is inconsistent at the post office level, and the high fee of \$.63 cents per piece is a deterrent. One suggestion is for this Work Group to develop a BRM "Help" session that could be deployed on POS-One and usps.com. This would be available to customers and USPS employees.

There was agreement on the need to reemphasize the importance of BRM within the USPS, especially in delivery units. BRM is First-Class mail and must be handled accordingly.

The Permit notification issue was raised as an opportunity to improve service. BRM customers may choose to pay Permits centrally. It is incumbent upon us to relay this information to every possible receiving point. Tom Galgano offered that this capability is available to federal government users. The next step is to explore the opportunity to extend this system to all BRM users. Ken Metroff suggested flowcharting this system as we are doing with mail flow to identify opportunities for improvement.

Sue Taylor asked if we had researched the number of hits on the BRM page at usps.com. That will be done prior to the next Work Group meeting.

There may be opportunities for using Origin CONFIRM on BRM. A presentation is planned for the next Work Group meeting.

There are potential work group industry members. Names that have surfaced are [REDACTED] [REDACTED] stated that she has five minutes to brief the next general MTAC meeting on the progress of the BRM Work Group. That presentation may spark additional interest and more members.

Each team member was asked to think of some new or potential uses for BRM. New use ideas will be an agenda item for the next work group meeting.

The next BRM work group meeting is scheduled for April 26, 2000 in Washington DC at USPS Headquarters, in conjunction with the next MTAC meeting. We will meet in room 1P410 from 8:30 AM to 11:30 AM.

MTAC BRM Improvement Project

Meeting Minutes

April 26, 2000

Meeting attendees:

Customers

Sue Taylor, Prudential, Co-Chair
Joyce Bagby, RJ Reynolds
Ernie Brogdon, Intuit
Pam Kalvaitis, Allstate
Ken Metroff, State Farm
Dick Nye, FirstUSA
John Reaman, AF & PA

US Postal Service

Al Laich, Core Business, Co-Chair
Rene Bersamin, Delivery
Tom Cinelli, Core Business
Rita Crawford, Revenue Assurance
Tom Galgano, Post Office Accounting
Gwen Gesswein, Marketing Technology
Patricia Griffin, NAM
Patrick Killeen, Processing & Dist.
Michael Lee, Marketing Technology
Barbara McGinnis, Processing & Dist.
Deborah Mobley, Mail Prep. & Standards
Brenda Morton, Accounting Mgr, Phil. Sales
Kerry Troxel, Operations Tech. Support

Introduction

Team members introduced themselves. The group has expanded since our last meeting to include Delivery, Mail Preparation & Standards, and Revenue Assurance.

Review of meeting minutes and Action Items

Sue Taylor led a review of the minutes from the meeting in Nashville, TN at the National Postal Forum.

- Release of the revised BRM publication - the document is in final revision and is scheduled for release in mid-May.
- New Team Members - Delivery, Mail Preparation & Standards, and Revenue Assurance are formal members of the BRM Improvement Project.

- **Flow Charts** - Patrick Kileen has prepared the mail flow flowcharts. He needs to take the charts to a few plants to review them for accuracy. Ken Metroff will prepare flowcharts of the permit renewal process.
- **Site Visits** - Tom Cinelli reported that visits had been conducted to [REDACTED]. These visits are being made to sites that demonstrate specific operating characteristics and will provide insight into "best practices". A site is scheduled [REDACTED] for the first week of May.
- **BRM Performance Sampling** - [REDACTED] had a two week sample and noted a delay (5 days) from Portland, OR by using CONFIRM. [REDACTED] has its analysis underway and will have results for the next meeting. [REDACTED] provided a handout noting cities and the number of days until receipt. [REDACTED] is running a test now and hopes to have results for the next meeting.
- **Kerry Troxel and Patrick Kileen** have prepared a tally sheet to be sent to our customers. The tally sheet is an Excel spreadsheet that provides an analysis to evaluate BRM performance results. To make this an objective study, BRM letters and flats should be drawn randomly and consistently (for example, every 10th letter) and recorded in the tally spreadsheet. If possible, please conduct a two week study and send this spreadsheet to Al Laich by May 26th for compilation and analysis of the results.
- **Add BRM to the Mail Condition Report** - Approval has been given to list BRM as a separate category on the Daily Mail Condition Report. The revisions will be developed and released to the field to begin reporting at the beginning of FY 2001. There was a discussion about using the On-Hand category or the Delayed category to report any BRM mail not distributed to customers. The USPS will resolve the reporting issues prior to implementation.

Project Plan

A draft of the Project Plan developed as part of the USPS Project Management Process was reviewed and distributed to customers. Comments and suggestions for modifications are due back by the first week of May. The goal is to have an approved plan in place by the end of May. One suggestion was made to include a review of the 1997 BRM study as a task. Copies of this report were distributed to all Postal members last week and additional copies will be sent to all Customer members. A second suggestion was to develop standards around BRM performance to measure performance against.

CONFIRM

Paul Bakshi presented CONFIRM. An opportunity exists to use origin CONFIRM to track BRM mail as it enters the mail stream, and to couple this data with receipt data to determine performance of BRM.

New Uses of BRM

[REDACTED] will use BRM for its new banking subsidiary.

[REDACTED] is adding a new marketing plan that will have responses to solicitations being returned centrally and then distributing the leads to agents for follow-up.

[REDACTED] said [REDACTED] is interested in determining the differences in response rates between BRM and Courtesy Reply Mail. The Postal Service checked with their Marketing Research department but it has no research in this area. However [REDACTED] said her company has seen a measurable difference in response rates between BRM and CRM and will share her information with the group.

Tom Galgano reported that many government agencies allow agents, who are on the road, send information back to the home office via BRM.

New Items

Members were asked to participate in the first meeting of the project team on May 23rd. The project plan calls for monthly meetings. Participation will be in-person or phone-in.

Does BRM mail require all capital letters in the address? This will be researched and an answer provided to the team members. There is a discrepancy in the DMM text and the DMM example.

[REDACTED] received a concerning letter regarding incorrect usage of BRM mail. The use of such a letter will be included in the BRM improvement project plan.

MTAC BRM meeting 5/23/2000

Purpose: Status updates

In attendance:

Sharon Michelson
Kerry Troxel
Barbara McGinnis
Rita Crawford
Michael Lee
Rebecca Sonoda
Tom Cinelli
Chris Campbell
Paul Sullivan
Al Laich
Susan Mayo
Gwen Gesswein
Tom Dale

The following industry members participated by telecon:

Sue Taylor
Pam Kalvatis
Ken Metroff
Ernie Brogdon
Alvin Etzler

Susan Mayo and Chris Campbell are new internal members to the work group. Susan represents Pricing and Chris represents Costing. Susan and Chris have worked with BRM issues for a number of years and will be able to assist in identifying best practices.

Alvin Etzler is a new industry member. He is with U.S. Census Bureau.

Al Laich reported that the remaining site visits were completed. Since our last meeting, team members conducted site visits [REDACTED]
[REDACTED]

We are on schedule with the Project Management Plan. Our next step is to prepare the site assessment report. We will also be working with HQ Statistical Programs in gathering data pertinent to Business Reply Mail (BRM). Tom Cinelli will be contacting the industry members to conduct customer interviews and ascertain their company's various uses of BRM.

We will be completing a BRM White Paper using the 1997 BRM/Postage Due report as a starting point. The report has already documented the existing processes. We are expanding our focus from three areas: Service, Approval and Accounting to the five areas: Customer Set-up, BRM Design and Approval, BRM/Postage Due Handling, Invoicing, and Account Maintenance. Focusing our project plan on the five areas will provide continuity to the prior efforts. The White Paper will include current status of BRM and Best Practices.

While it is good for the work group to meet as a group, Core Business will be meeting with sub work groups to discuss the focus and scope of their sub group and responsibility.

Sue Taylor reiterated the need and importance of formalizing and standardizing our BRM process.

There will be 2 BRM sessions at the NPF this Fall. We will discuss the improvement efforts of this work group and the use of Origin Confirm with BRM.

It was mentioned that Ron Gleason, USPS sales, has ideas on how to retain and grow BRM. Core Business will contact Ron.

Thanks for a good meeting.



NAME

ORGANIZATION

PHONE

AL LAICH	USPS, CORE BUSINESS	202-268-6953
Ken Metroff	State Farm Insurance	[REDACTED]
Ernie Brogdon	Intuit Inc.	[REDACTED]
Joyce Bagby	R.J. Reynolds	[REDACTED]
Micheal F. Lee	USPS, Marketing Technology	202-268-5049
Rene Bersamim	Delivery	202-268-2493
Tom Galgano	USPS, Headquarters-Post Office Account.	202-268-3255
Gwen Gesswein	USPS, Marketing Technology	202-268-2359
Barbara J. McGinnis	USPS, Processing & Distribution	202-268-3110
Patrick Killeen	USPS, Processing & Distribution	202-268-2473
Kerry Troxel	USPS, Operations Technical Support	202-268-3357
Tom Cinelli	USPS, Core Business	202-268-5297
John Reaman	Industry Rep. AF & PA, Washington DC.	[REDACTED]
Deborah A. Mobley	USPS, Mail Prep. & Standards	202-268-6350
Patricia Griffin	USPS, NAM	973-468-7086
Brenda Morton	USPS, Accounting Mgr., Philadelphia Sale	856-933-4435
Dick Nye	First USA Bank	[REDACTED]
Rita Crawford	Revenue Assurance, Finance HQ	202-268-2831
Pam Kalvaits	All State Insurance Company	[REDACTED]
Sue Taylor	Prudential	[REDACTED]

**Mailers Technical Advisory Committee (MTAC)
Business Reply Mail (BRM) Subcommittee**

Meeting Minutes of 6/20/2000

Purpose: Status updates

Participants:

Al Laich
Sharon Michelson, Business Mail Acceptance
Mel Schneider
Pat Bennett
Kerry Troxel,
Barbara J McGinnis
Pat Killeen
Magan Gilbert
Rita Crawford, Revenue Assurance
Thomas E Dale Jr, Accounting
Chris Campbell
Marsha Lee Howard
Rene Bersamin
Gwen Gesswein
Michael Lee
Wanda Young
Sue Taylor – Teleconference
Pam Kalvatis - Teleconference

Tom Cinelli received the customer surveys from the industry members and is in the process of compiling the information. The purpose of the customer surveys is to ascertain information regarding various uses and volume trends of BRM mail.

Wanda Young received BRM tracking sheets from two industry members. We are waiting for results from the remaining members. We have begun to compile and analyze the data received thus far. Once we receive the remaining work sheets the information will be included in the analysis.

- Note - The BRM tracking sheet was sent out to industry members prior to Alvin Etzler and Michael Finnegan Jr. joining the work group.

[REDACTED] shared some data regarding the benefits of switching to BRM from CRM. Results revealed that there was a significant increase in response rate using BRM vs. CRM. Results are indicated below:

With Incentive		Without Incentive
CRM	21.5%	18.6%
BRM	27.4%	25.6%
Increase using BRM	27.0%	38.0%

Mailers Technical Advisory Committee (MTAC)
Business Reply Mail (BRM) Subcommittee

The MTAC work group would like to give [REDACTED] a special thank you for sharing this insightful and pertinent information with the group.

Pat Bennett advised that the BRM Publication is going to print next month and will be available for customer use in approximately Aug 2000.

Issues and concerns:

What is postal policy regarding unique ZIP codes for QBRM and regular BRM. Are different ZIP codes issued for the same rate category to differentiate from QBRM and regular BRM? I will follow up on this issue and report back to everyone. Once we get a definitive answer, we can disseminate the information to the field offices.

We discussed the exception statement that will be added to the DMM advising that a copy of PS Form 3544 showing payment of BRM permit fee is not required if the customer is linked to CAPS. Gwen Gesswein will keep us abreast of updates and when the statement will be included in the DMM.

We discussed the issue regarding BRM Permit renewal fee. Here are some of the facts that may help clarify the policy on BRM Permit renewal.

Old rule – The BRM Permit fee was for the calendar year Jan – Dec

New rule – The BRM Permit fee is one year from date of payment.

Permit system stores information according to expiration date, so the anniversary date remains the same.

BRM renewals can not be paid more than 30 days prior to the expiration date.

There is no "Grand-Fathered In" clause.

I need to discuss the details with Ken Metroff regarding his cc:mail on BRM Permit Renewal. If there is confusion with USPS field offices, the sub group can discuss this issue and take steps to clarify the policy for field offices.

The remainder of the meeting was dedicated to forming subgroups. As an update, we expanded the three areas (service, approval and accounting) to mirror the five sub-processes that were identified in the 1997 Business Reply Mail/Postage Due Solution. Our project plan will also be updated to reflect the change. The original project plan focused on re-engineering the entire BRM process. After conducting numerous meetings, we found that Postal One will have the technology needed to re-engineer the process and the projected

**Mailers Technical Advisory Committee (MTAC)
Business Reply Mail (BRM) Subcommittee**

implementation date is in 2002. Therefore, we will be focusing on interim solutions, "fix the low hanging fruits" and revisit the re-engineering of the entire process once Postal One is in effect. With the level of commitment and expertise on our work group, we will make an impact and definite improvements on the current processes with the infrastructure presently available to us.

The subgroups will work on issues, concerns and solutions falling under the respective group. The five categories and description of activities are listed below. The descriptions may be changed as the groups meet and discuss the issues. The lead person and the work group members are also listed. Industry members and postal members will need to review the categories and select the work group that is a match for you if you are not already listed. Please let me know as soon as possible when you have made your selection. The lead person will be contacting you next week to arrange a meeting to discuss the focus of your subgroup and assign responsibility to each member.

Customer Set-UP

Lead Person – Tom Cinelli

Members:

Sue Taylor	Sharon Michelson	Marsha Lee Howard
Rita Crawford	Brenda Morton	Pam Kalvaitis

- Provide information to the customer on the BRM service;
- Ensure the customer has a P.O. Box, Caller Service number , or street address;
- Provide the customer with a BRM permit;
- Assign ZIP+4(s) for the customer's mail piece(s);
- Accept payment for fees and/or deposits; and
- Set up the customer's Advanced Deposit and/or Postage Due accounts.

BRM Design and Approval

Lead Person – Wanda Young

Members:

Sue Taylor	Sharon Michelson	Pat Bennett
Marsha Lee Howard	Pam Kalvaitis	Joyce Bagby

- Design mail piece;
- Review piece for format requirements;
- Test BRMAS pieces through automation equipment;
- Approve or reject mail piece; and Print and distribute BRM

BRM/Postage Due Handling

Lead Person – AL Laich

Members:

Pat Killeen	Barbara McGinnis	Kerry Troxel
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**Mailers Technical Advisory Committee (MTAC)
Business Reply Mail (BRM) Subcommittee**

Rene Bersamin

Chris Campbell

Mike Finnegan

- **Separate BRM/Postage Due mail from regular mail;**
- **Sort BRM/Postage Due mail into customer bins;**
- **Classify and count BRM/Postage Due pieces by type;**
- **Deliver or hold BRM/Postage Due mail; and Release held BRM/Postage Due mail.**

Invoicing

Lead Person – Tom Cinelli

Members:

Tom Dale

Mike Lee

Gwen Gesswein

- **Assess the per-piece charges;**
- **Total the charges for each customer; and**
- **Produce and distribute invoices to the customers.**

Account Maintenance

Lead Person- Mel Schneider

Members:

Mike Lee

Tom Dale

Gwen Gesswein

Rita Crawford

Brenda Morton

Ken Metroff

- **Respond to customer inquiry;**
- **Set up new Advance Deposit Account**
- **Pay accounting fees**
- **Pay renewal fees**
- **Deposit money into account;**
- **Balance ledger**
- **Update internal documents; and**
- **Generate reports for Finance.**

Our next MTAC meeting will be held during MTAC week on 7/12/2000 at Headquarters, Room 1P629, 8:30 AM – 11:30 AM.

Everyone will be contacted regarding a meeting with your sub group.

Thanks for a good meeting.

**MTAC BRM Work Group
Meeting Minutes
July 12, 2000**

Meeting Attendees:

US Postal Service

Al Laich, Core Business, Co-Chair
Megan Gilbert, Core Business
Sharon Michelson, Business Mail Acceptance
Brenda Morton, Sales
Tom Cinelli, Core Business
Wanda Young, Core Business
Rita Crawford, Revenue Assurance
Tom Galgano, Corporate Accounting
Chris Campbell, Finance
Pat Bennett, Mail Prep and Standards
Rick Loutsch, Pricing Contractor
Gwen Gesswein, Marketing Technology
Marsha Lee Howard, MDA
Mel Schneider, Core Business
Tom Dale, Corporate Accounting
Patrick Killeen, Operations
Kerry Troxel, Operations Support
Barbara McGinnis, Operations
Rene Bersamin, Delivery
Ron Gleason, Sales
Sonia Simmons, Sales
Susan Mayo, Finance *Marketing*

Customers

Sue Taylor, Prudential, Co-Chair
Mike Finnegan, Keyspan
Ken Metroff, State Farm
Chuck Vanstrom, EDS
Rich Bobic, EDS
Ernie Brogdon, Intuit Inc.
Pam Kalvaitis, Allstate
Joyce F. Bagby, RJ Reynolds

Introduction

Team members introduced themselves. Sue Taylor welcomed the new members

Review of last meeting and direction of BRM work group

Sue Taylor led a review of our last meeting. Postal One will have the technology needed to re-engineer the BRM process and centralize data. Projected implementation date is in 2002. Therefore, the BRM work group will be focusing on interim solutions within our current infrastructure and revisit re-engineering the entire process once Postal One is in effect. We will break up into five sub groups and work on issues, concerns and solutions falling under the respective group. The five sub groups are Customer Set up, Design and Approval, Handling, Invoicing and Account Maintenance.

Sub group leaders gave an update and direction of each group.

Customer Set up – Tom Cinelli -The short-term objective is to create the web-based system for customers to use. The long-term objective is to effect a consistent and simplified manual system.

Design and Approval – Wanda Young – The short-term objectives are to review current Standard Operating Procedures for acceptance and approval of BRM and modify as required; Communicate a standardize process via Postal Bulletin and electronically. The long-term objective is to explore the capability of customers obtaining BRM ZIP +4 codes from the Internet.

Regarding customers being able to obtain BRM ZIP+4 Codes from the Internet, Ken Metroff advised that there should also be a mechanism in place for customers to check for ZIP+4 accuracy.

Handling – Al Laich – The short-term objectives are to communicate awareness on the importance of BRM, support writing best practices guide, and obtain a commitment to work BRM by noon. Long-term objectives are to include BRM on the daily mail condition report and develop a system that interfaces automation and accounting.

Invoicing- Tom Cinelli- The short-term objective is to automate the production of the daily activity report. The long-term goal is to automate the input of daily activity data into Permit.

Tom Galgano advised that Postal Accounting will be speaking with Postal Payment Technology group in support of customers paying permit and accounting fees by commercial credit card.

Account Maintenance - Mel Schneider -The short-term objectives are to develop the framework to address customers not being able to renew a BRM permit no more 30 days prior to the anniversary date and the requirement of maintaining an advance deposit account for BRM postage due separate from other postage due. The long-term objectives are to develop strategies for implementation.

Tom Cinelli compiled the responses from the customer surveys and advised that the responses will assist us in understanding BRM issues and concerns that are important to the customers, such as cost, handling and service. Responses will assist in formulating a Business Case for BRM. Thank you all for taking the time to complete and return surveys.

Megan Gilbert gave an analysis of BRM and CRM Service Performance scores for FY 2000, Year-to-date. Specifically, national composite scores revealed that BRM is 12% lower than CRM in Quarter 3. Core Business will publish a detail report of ODIS scores to field offices. BRM ODIS scores along with the results from the service performance surveys completed by industry members will be used to target and correct troubled areas.

Ron Gleason gave a presentation on BRM growth opportunities. Ron shared some great ideas with the group such as [REDACTED]

[REDACTED] I would like to give a special thank you to Ron for sharing these great ideas with the work group.

There will be a BRM session at the Fall Postal Forum in Anaheim CA. The session is scheduled on September 12, at 9:30 AM. Al Laich and Sue Taylor will be speakers. The session will focus on the improvements that the sub groups are working on.

The BRM work group would like to have a group meeting at the Forum. We could not set a definite time and day during the MTAC meeting. Please look at your schedules and let Al Laich know when would be a convenient time for those who will be attending the Forum. We will try to arrange a convenient meeting time to accommodate as many as possible.

Wanda Young shared information regarding ZIP+4 Codes assigned to a customer who was receiving Non QBRM rates and then qualifies for QBRM rates for the same rate category. There is no postal policy on this issue. Any action in this area was on the part of individual districts. Mostly, when a customer qualifies for QBRM, they just use the same ZIP Code that they already use. Unless the District Address Management System (AMS) is using a unique 5-digit ZIP Code for QBRM.

158

Al Laich suggested that we invite Mike Garner, AMS Mgr. to our next MTAC meeting.

[REDACTED] raised questions about the weight averaging method for non-letter size BRM being used for letter size BRM. This is attractive to customers because non-letter size BRM customers pay a monthly fee of \$600 with 1cent surcharge per piece. There are a number of factors that determine the surcharge assessed to BRM, including manual handling. With non-letter size BRM, manual handling is limited which is not the case for letter size. There are many field offices still manually handling BRM. The BRM sub group will be working on ways to efficiently handle BRM including addressing manual counting.

The issue of providing a letter of authorization along with a copy of PS Form 3544 (receipt of payment) to local Post Offices when field agents are renewing their BRM permit was raised. Local operations should be in accordance with the DMM. The sub group responsible for this function should include this issue in their project plan. Al Laich suggested that a checklist for Postmaster be developed to ensure all are reading from the same page.

Thanks for a great meeting.

Below are the sub work groups and the participants

Customer Set-UP

Lead Person – Tom Cinelli

Members:

Sue Taylor
Rita Crawford

Sharon Michelson
Brenda Morton

Marsha Lee Howard
Pam Kalvaitis

BRM Design and Approval

Lead Person – Wanda Young

Members:

Sue Taylor
Marsha Lee Howard
Ernie Brogdon

Sharon Michelson
Pam Kalvaitis

Pat Bennett
Joyce Bagby

BRM/Postage Due Handling

Lead Person – AL Laich

Members:

Pat Killeen
Rene Bersamin
Rich Bobic

Barbara McGinnis
Chris Campbell
Marsha Lee Howard

Kerry Troxel
Mike Finnegan

Invoicing**Lead Person – Tom Cinelli****Members:**

Tom Dale

Mike Lee

Gwen Gesswein

Rich Bobic

Joyce Bagby

Account Maintenance**Lead Person- Mel Schneider****Members:**

Mike Lee

Tom Dale

Gwen Gesswein

Rita Crawford

Brenda Morton

Ken Metroff

MTAC Meeting Participants
Wednesday, July 12, 2000
8:30-11:30 a.m.

Name	Company	Phone #	E-mail Address
Al Laich	USPS- Core Business	(202) 268-6953	Alaich1@email.usps.gov
Megan Gilbert	USPS- Core Business	(202) 268-8789	Mgilbert@email.usps.gov
Sharon Michelson	USPS- Marketing	(202) 268-4388	Smichels@email.usps.gov
Brenda Morton	USPS- Philadelphia Sales Ctr.	(856) 933-4435	Bmorton@email.usps.gov
Tom Cinelli	USPS- Core Business	(202) 268-5297	Tcinelli@email.usps.gov
Wanda Young	USPS- Core Business	(202) 268-5866	Wyoung@email.usps.gov
Mike Finnegan	Keyspan	[REDACTED]	[REDACTED]
Ken Metroff	State Farm Insurance	[REDACTED]	[REDACTED]
Rita Crawford	USPS- Revenue Assurance	(202) 268-2831	Rcrawfol@email.usps.gov
Tom Galgano	USPS- Corporate Accounting	(202) 268-3255	Tgalgano@email.usps.gov
Chuck Vanstrom	EDS- Customer Relations Management	[REDACTED]	[REDACTED]
Rich Bobic	EDS- Customer Relations Management	[REDACTED]	[REDACTED]
Chris Campbell	USPS- Finance	(202) 268-3759	Ccampbe3@email.usps.gov

Pat Bennett	USPS- Mail Preparation and Standards	(202) 268-6350	Pbennett@email.usps.gov
Rick Loutsch	USPS- Pricing (Contractor)	(202) 268-8515	Rloutsc@email.usps.gov
Gwen Gesswein	USPS- Marketing Technology	(202) 268-2359	Ggesswei@email.usps.gov
(Marsha) Lee Howard	USPS- Mailpiece Design Analyst	(512) 342-1290	Mhower12@email.usps.gov
Ernie Brogdon	Intuit Inc.	[REDACTED]	[REDACTED]
Mel Schneider	USPS- Core Business	(202) 268-2211	Mschneid@email.usps.gov
Thomas E. Dale, Jr.	USPS- Corporate Accounting	(202) 268-3332	Tdale@email.usps.gov
Pam Kalvaitis	Allstate Insurance	[REDACTED]	[REDACTED]
Patrick Killeen	USPS- P & DC, OPS	(202) 268-2473	Pkilleen@email.usps.gov
Kerry Troxel	USPS- Operations Technical Support	(202) 268-3357	Ktroxell@email.usps.gov
Barbara J. McGinnis	USPS- Processing and Distribution	(202) 268-3110	Bmcginn1@email.usps.gov
Rene Bersamin	USPS	(202) 268-2493	Rbersami@email.usps.gov
Ron Gleason	USPS	(858) 674-0309	Rgleason@email.usps.gov
Sonia Simmons	USPS- Sales, Financial Services, National Accounts	(703) 526-2694	Ssimmons@email.usps.gov
Joyce F. Bagby	R.J. Reynolds	[REDACTED]	[REDACTED]

Stewart E. [REDACTED] . 6575.gov

**MTAC BRM Work Group
Meeting Minutes
October 4, 2000**

Meeting Attendees:

US Postal Service

Al Laich, First-Class Mail, Co-Chair
Sharon Michelson, Business Mail Acceptance
Brenda Morton, Sales
Wanda Young, First-Class Mail
Rita Crawford, Revenue Assurance
Tom Galgano, Corporate Accounting
Chris Campbell, Finance
Pat Bennett, Mail Prep and Standards
Rick Loutsch, Pricing Contractor
Marsha Lee Howard, MDA
Mel Schneider, First-Class, Mail
Tom Dale, Corporate Accounting
Patrick Killeen, Operations
Kerry Troxel, Operations Support
Barbara McGinnis, Operations
Susan Mayo, Finance
Joe Davidson, Delivery

Customers

Sue Taylor, Prudential, Co-Chair
Mike Finnegan, Keyspan
Ken Metroff, State Farm, Participated via telephone
Ernie Brogdon, Intuit Inc.
Pam Kalvaitis, Allstate
Joyce F. Bagby, RJ Reynolds
Henry Maury, U.S. GSA
Tom Davis, Newport News Inc.

Introduction

Team members introduced themselves. Sue Taylor welcomed new participants.

[REDACTED] participated via telephone. [REDACTED] advised that his company is 100% in favor of verifying and assigning BRM ZIP+4 Codes through a web site and [REDACTED] would be interested in participating in the test pilot.

[REDACTED] also made comments on the BRM renewal process.

Specifically [REDACTED] discussed the policy of renewing the BRM permit no more than 30 days prior the anniversary date and the practice by field offices of sending out renewal notices based on the date paid and not anniversary date. (e.g. the BRM permit expires on October 31, and the permit was paid in September, field offices are sending out renewal notices based on the September date). [REDACTED] also had some concerns with the required letter of authorization from each field agent authorizing the use of the corporate BRM permit.

[REDACTED] reiterated the need for some solutions to these problems, such as web site renewal notification; a change from the 30-day renewal time limit to 60 days; and inform field offices to send out renewal notices based on the anniversary date not the date paid. [REDACTED] proposed that the MTAC Industry work group members have a meeting with the Managers, Mail Prep and Standards and Business Mail Entry to discuss above issues. Proposed date – 10/25/00 at 2:00 PM. Manager, First- Class Mail will coordinate the meeting.

Sue reviewed the minutes from the last meeting. Follow up issues to our last meeting revealed that Corporate Treasury agreed to accept commercial credit cards for permit fees only. Implementation date has not been established at this time. Tom Dale will discuss the issue of using credit cards to pay for postage with Corporate Treasury.

Al provided updates on the following:

National Postal Forum was very successful with approximately 63 in attendance. Al Laich, Sue Taylor, Brenda Morton and Ron Gleason were on the panel. Al and Sue discussed initiatives that the BRM work groups are working on and Brenda and Ron discussed marketing initiatives. Sue Taylor received an award at the NPF for her dedicated work on BRM and Confirm.

First- Class Mail received an award for using Project Management as a discipline to accomplish our initiatives on BRM and stay on schedule. If you would like a copy of the BRM project plan, please send a request to Wanda via email. Please advise whether or not you have Microsoft Project.

Al advised the group that he is leaving First-Class Mail and going to Performance Support and Analysis. Larry Van Ness is the Manager, First-Class Mail and will be USPS Co-Chair of the BRM work group. I would like to say a special thank you to Al for his dedicated work on the BRM work group and extend a warm welcome to Larry.

Al also advised the group that Wanda will be the lead person for the sub work groups.

Sub group updates

Customer Set Up -Wanda

We are working on content for the web site. There will be three new features to the Mailpiece Design web site.

- If a customer has a valid permit and BRM ZIP+4 Code, the new application will verify ZIP code information and produce camera ready artwork in a PDF or EPS file.
- If the customer has a valid permit, the new application will assign a new BRM ZIP+4 code.
- The application will produce camera ready art for courtesy reply mail.

We are looking to have the new features implemented by late winter/early spring.

Design and Approval- Wanda

The new Publication 25 was published in June 2000. The new Publication 25 combined old Publications 25-Designing Letter Mail and 353- Designing Reply Mail. Before going to print, industry members provided comments and feedback to Pat Bennett. I would like to thank industry members for their feedback and extend a special thank you to Pat Bennett for her hard work and bringing the new publication to fruition.

We are waiting for approval on guidelines from Mail Prep and Standard. Once we receive approval, the subgroup will meet to review and provide input.

BRM handling -AI

We will have QTR 4 service performance scores on Courtesy Reply and Business Reply Mail this week. Scores will be a measuring tool and indicator on how we are progressing.

Manager, Headquarters Operations issued a letter to field offices reinforcing the importance of BRM and that it must be processed as First-Class Mail.

BRM business review plan is placed in motion to improve BRM operations. We're developing a self-audit checklist for postmasters to review their own operations. We're establishing review teams to conduct independent audits that will look at sort plans, accounting procedures, and notification process and provide training where necessary. A site visit plan will be developed based on Qtr 4 service scores and high volume post offices.

Barbara McGinnis shared the results of a review conducted at [REDACTED] Post Office. She advised that reviewing sort plans, eliminating duplications and effective communication enabled her to provide BRM customers their mail 2 hours earlier.

Invoicing and Account Maintenance- Mel

We're planning a meeting with Mail Prep and Standard to discuss 30-day limit for BRM renewals.

Post Offices on the Permit system no longer need to request PS Form 3544 as proof of payment from CAPS customers. We are working on establishing a web site for those post offices not on the Permit system but have access to a computer. Implementation date is late winter/early spring. This process is restricted to CAPS customers at this time. We will continue to explore ways in which small offices not on permit and do not have access to a computer can access payment information on BRM customers.

I have also attached the dimensions for the letter-size envelopes and postcards that will be made available with the camera-ready artwork from the enhanced web site. At the meeting, I only provided the envelope sizes. I would like the industry members to review and advise if the envelope and postcard dimensions comprise the majority of what you usually print. Thanking you in advance for your assistance.

25

Thanks for a great meeting.

**MTAC BRM Work Group
Minutes from telecon 11/09/00**

In attendance:

Sue Taylor – Prudential (Industry Co-Chair)
Joyce Bagby – RJ Reynolds
Richard Bobic – EDS
Ernie Brogon – Intuit
Mike Finnegan – Keyspan
Henry Maury - Government Services Administration
Ken Metroff – State Farm Insurance

Larry Van Ness, Manager First Class Mail (USPS Co-Chair)
Larry Goodman, Manager, Business Customer Support Systems
John Sadler, Manager Business Mail Acceptance
Sherry Suggs, Manager Mail Preparation and Standards
Mary Bronson, Business Mail Acceptance
Tom DeV Vaughan, Mail Preparation and Standards
Wanda Young, First Class Mail

The telecon opened by having each person identify themselves and the company they represent. Larry Van Ness (Product Manager, First Class) gave a brief overview on the importance of remittance mail to the US Postal Service and broadly outlined his focus for the upcoming year. In addition, he gave his commitment to work with the industry to improve remittance mail performance including BRM.

Purpose of Telecon

The purpose of the telecon was for the appropriate USPS managers to gain a better understanding of negative customer impact created by the existing 30-day permit renewal window. The MTAC joint USPS/Industry members have worked for some time to document these and other issues pertaining to the BRM permit renewal process.

Issues:

Notice Period:

USPS policy states that the BRM permit is renewed no more than 30 days prior to the anniversary date. The 30-day renewal period causes a hardship for larger

users within the industry when they have to disseminate proof of payment to thousands offices.

Expiration Date:

USPS field offices are sending out renewal notices based on the date stamped on the receipt (PS Form 3544) and not the anniversary date.

Payment Process:

It was suggested that non CAPS customers be allowed to pay their annual fee by credit card over the internet.

The following was suggested as resolution to the problems:

Possible Solutions

- 1) Develop a web site that would enable field offices to access payment information, which would eliminate the need for USPS and mailers to send out notices.
- 2) Extend the 30-day renewal period to 60 days.
- 3) Set up a process that would ensure field offices are using the anniversary date and not the date of receipt.

Next Steps:

Larry Van Ness advised MTAC members that the Postal Service would develop plans and timelines that would address their concerns and get back to them within 2 weeks.

**MTAC BRM Work Group
Meeting Minutes
January 31, 2001**

Meeting Attendees:

US Postal Service

Larry Van Ness, First-Class Mail, Co-Chair
Sharon Michelson, Business Mail Acceptance
Wanda Young, First-Class Mail
Tom Galgano, Corporate Accounting
Pat Bennett, Mail Prep and Standards
Marsha Lee Howard, MDA via Telecon
Kerry Troxel, Operations Support
Barbara McGinnis, Operations
Susan Mayo, Pricing
Rene Bersamin, Delivery
Mike Lee, Business Customer Support Systems
Jim Robison, MDA participated via telecon
Sherri Stanley, MDA participated via telecon
Howard, Marsha Lee, MDA participated via telecon

Customers

Sue Taylor, Prudential, Co-Chair
Mike Finnegan, Keyspan
Ernie Brogdon, Intuit Inc.
Pam Kalvaitis, Allstate
Joyce F. Bagby, RJ Reynolds
Henry Maury, U.S. GSA

Introduction

Team members introduced themselves. Sue Taylor welcomed everyone and Larry Van Ness, Product Manager, First Class and new USPS Co-Chair, BRM work group.

Larry Van Ness gave a brief overview on the importance of remittance mail to the US Postal Service and discussed his focus of using technology to keep First-Class mail as a viable product. In addition, he gave his commitment to work with the industry to improve BRM.

Sue gave a recap of the minutes from the last meeting and we discussed items that required follow up. Corporate Treasury approved the use of commercial

QTR 4 service performance scores on Business Reply Mail were sent out to field offices along with a letter reiterating importance of BRM and that it must be processed as First-Class Mail. Nationally, scores increased by 2% from QTR 3. QTR 1 scores will be sent out shortly. Scores will continue to serve as a measuring tool and indicator on how we are progressing.

The subgroup members conducted a site visit at the [REDACTED] station in [REDACTED]. We divided into groups: Operations, Customer Service and Finance and worked around the clock to observe every aspect of the BRM operation. Team members will make recommendations for improvement and meet with station management.

Barbara advised that she will follow up on processes initiated in [REDACTED] and give us an update. The team members will begin work on a checklist for handling BRM at the Plant and Stations using the insightful information learned at [REDACTED] and [REDACTED]. The checklist will be provided as a template for field offices to use to assess and make improvements in their operation.

[REDACTED] performed a service performance survey on BRM. BRM service performance data is invaluable documentation that can be used to analyze the impact of service performance changes and improvements. Industry members agreed to performance another service performance survey. Wanda will contact members with details, format information, and time period.

We would like to say a special thank you to Barbara for her work at [REDACTED] and the BRM handling subgroup for their work at [REDACTED].

Invoicing/Account Maintenance - Wanda

The team reviewed several invoicing systems and ascertained that it is cost prohibitive or not scalable to implement in all processing plants. We are exploring the use of Planet codes to automate the accounting function and generate an invoice. This idea is in the nascent stage and will take some time to come to fruition, so this initiative will not be a part of this work group.

In the project plan we set up to accomplish three initiatives:

- ⇒ Post Offices that are on the Permit system no longer need to request PS Form 3544 as proof of payment from CAPS customers
- ⇒ Extend the 30-day renewal period to 60 days
- ⇒ Have one account for BRM and postage due

All three initiatives have been accomplished. We would like to say a special thank you to Business Mail Acceptance, Mail Prep and Standards and Business

credit card to pay permit fees however it has not been implemented. Tom Galgano will work on required internal paperwork and work toward establishing an implementation date.

Also as a follow up, Tom Galgano advised that Corporate Treasury would not approve the use of commercial credit card for postage. Transaction charges can not be limited which could result in exorbitant transaction fees. Also, customers must present actual credit card at the window. Why can't USPS accept credit card information over the phone? We will invite a representative from Corporate Treasury to attend our next MTAC meeting to discuss further.

Sue asked the industry members to be diligent in responding to requested information from USPS. Your insight and input are paramount to the BRM work group succeeding.

Sub group updates

Customer Set Up - Wanda Young

To recap

If a customer has a valid permit and BRM ZIP+4 Code:

⇒ The BRM application will verify ZIP code information and produce camera ready artwork in a PDF or EPS file.

⇒ If the customer has a valid permit, the new application will assign a new BRM ZIP+4 code.

⇒ The application will produce camera ready art for courtesy reply mail.

The cost for the new BRM electronic application is more than expected. We are in the process of requesting financial assistance from the USPS eBusiness Opportunity Board. Once financing is secured, we are looking to have the BRM application implemented by Fall.

Design and Approval- Wanda Young

We completed the final draft of the SOP for postal employees who accept and process BRM applications and mailpieces. A copy of the final draft was given to the industry members. Comments must be received by February 7, 2000. SOP will be published in the Postal Bulletin by the end of February. Once published the subgroup will meet to develop a measurement mechanism to ensure that employees are following procedural guidelines.

Pub 25- Designing Letter and Reply Mail- There were a few errors in the new publication. Errors will be corrected and the publication re-printed in March 2001.

BRM handling – Barbara McGinnis

and Customer Support Systems for your support and assistance to make it happen.

Wanda will provide Sharon a copy of the [REDACTED] project plan. Sharon will convert it to a PDF file and provide it to all members.

Wanda agreed to provide monthly updates to work group members.

Open Discussion

Industry members wanted to discuss why there is a time limit on permit renewals. After discussion, it was decided that 60 days was sufficient.

Industry members wanted to discuss the feasibility of using the Postal Bulletin as a notification vehicle to advise local offices that a permit fee was paid. This is a manual process and would be costly to implement and maintain for a few customers. We discussed a regulatory change regarding the mandatory authorization letter that must accompany the PS Form 3544 every time the permit is renewed to a one-time submission. Wanda will begin to make contact with the internal stakeholders to discuss feasibility.

Next quarterly MTAC meeting is 4/25.

Thanks for a great meeting.

**MTAC BRM Work Group
Meeting Minutes
April 25, 2001**

Meeting Attendees:

US Postal Service

Larry Van Ness, First-Class Mail, Co-Chair
Wanda Young, First-Class Mail
Tom Galgano, Corporate Accounting
Barbara McGinnis, Operations
Richard Parlier, Finance
Charlene Turner, First-Class Mail
Deborah Rouff, Corporate Treasury
Elizabeth M. Schafer, Corporate Treasury
Gwen Gesswein, Marketing-CAPS
Rita Crawford, Revenue Assurance
Thomas E Dale, Corporate Accounting

Industry

Sue Taylor, Prudential, Co-Chair
Pam Kalvaitis, Allstate

Introduction

Team members introduced themselves and Sue Taylor welcomed everyone. Larry Van Ness, USPS co-chair, informed the work group that he will be on special assignment spearheading the formation of a Mailing Industry Task Force. We would like to wish Larry well on his new assignment and thank him for his dedicated work on the BRM work group.

James Tolbert will assume responsibilities for First-Class Mail and co-chair of the BRM work group. James has held a variety of supervisory and managerial positions in Marketing, Sales, and Stamp Services. We would like to extend a warm welcome to James.

Sue gave a recap of the minutes from the last meeting and discussed items that required follow up. It was noted that there were errors in Pub 25, Designing Letter and Reply Mail and was scheduled for correction and re-print March 2001. Wanda will follow up with Mail Prep and Standards. Tom Galgano advised that the implementation of commercial credit card to pay permit fees is delayed until June 2001 because the POS vendor needs time to update software.

Elizabeth Schafer and Deborah Rouff, Corporate Treasury attended our meeting for a question and answer segment to address issues concerning commercial credit cards. Industry members wanted to know why the USPS couldn't accept commercial credit cards over the phone. The main reason is security. The USPS is the only organization that accepts and delivers credit cards and the Inspection Service requires face to face transactions.

Elizabeth advised that there is a contractor who supports our stamps division in Kansas City that accepts credit card phone orders and not associated with delivery. She will follow up on this contractor being a possible solution for permit payment by phone.

We also discussed the issue of using credit cards to pay for postage. Anne Emmerth, Mail Prep and Standards is working on credit cards acceptance through the Internet as an enhancement to the Business Mail101 website. I will invite Anne to our next meeting. If she can't attend, I will obtain information about her project and share with the work group. I will also begin to explore building requirements for using credit cards for postage payments and include it as a long-term objective of the BRM website.

We would like to thank Elizabeth and Deborah for attending our meeting, providing insightful information and supporting the work group as we explore ways to make it easier for customers to use our services.

In regards to the mandatory authorization letter that must accompany the PS Form 3544 every time the permit is renewed. According to the Domestic Mail Manual the authorization letter is not required every time permit is renewed. After the first submission, it is only required if information in the original letter has changed. Then the corporate permit holder is required to submit an amended letter.

Action: Wanda will publish a reminder in the Postal Bulletin.

Design and Approval

The Qualified Business Rely Mail (QBRM) SOP was published in the April 19th Postal Bulletin. A copy was provided to work group members. Wanda will coordinate with Business Mail Entry to discuss sending the SOP to Area Managers along with a letter that requires those employees who accept and process QBRM applications from customers to review and follow procedures outlined in the article. Once completed, Wanda will arrange a meeting with work group members to develop a measurement mechanism to ensure that employees are following procedural guidelines.

BRM handling

Wanda provided QTR 2 service performance scores on Business Reply Mail. Nationally, BRM is down 12.8% from Courtesy Reply Mail (CRM) scores and down by 5.8% from BRM QTR 1 scores.

Barbara McGinnis from Operations, discussed using Planet Codes to measure service performance of remittance mail captured in the National Firm Holdout. Planet Code data will enable her to pinpoint where delays occur and target areas for improvement. Barbara will provide a presentation to the work group at the next meeting.

The BRM handling sub group worked on a BRM tri-fold. The purpose of the tri-fold is to provide tips to field office on how to improve their BRM operation. A "draft" copy was provided to work group members. Team members will provide comments to Wanda by Monday 4/30. I would like to thank Rita Crawford for organizing and formatting the BRM tri-fold.

Customer Set-up

Core Business Marketing has secured a contractor for the BRM website for a fraction of what the original contractor quoted. However the contractor will not be able to begin work until September and anticipates completion in December.

Work group members discussed whether to sunset the work group or continue it until the website is completed. Team members felt that the work group should continue. The MTAC steering committee has extended the work group until 2/02.

Next quarterly MTAC meeting is 8/01.

Thanks for a great meeting.

Author: WANDA YOUNG at WADC044L
Date: 3/13/00 12:19 PM
Normal
TO: AL LAICH at WADC068L
CC: THOMAS J CINELLI at WADC028L
Subject: Notes from [REDACTED] Trip

----- Message Contents

Here are my notes from th [REDACTED] Trip.

There was no automated equipment at the station. The clerk conducts weight averaging on BR [REDACTED] and does a manual count for [REDACTED] from 5:30 AM to 7:00 AM, then conducts a piece count and completes the accounting for the remaining 82 BRM accounts.

The clerk indicated that she conducts a weight and piece count once a month to keep the conversion factor accurate. The conversion factor is the weight of 1300 pieces per tray plus tare weight which weighs 16 pounds 2 oz.. She ensure that each tray weighs 16 lb.. 2 oz..

The calculation is:

The number of trays (x) 1300 pieces (x) rate.

Note: A Tray with 900 pieces weigh 11 lb.. 9 oz..
A bundle of 100 pieces weigh 1 lb. 2.3 oz..

Accounting is completely manual, on Form 3582 (Postage Due Invoice)

The supervisor mentioned that weight averaging was the method used when he started in 1980.

[REDACTED] WADC provides BRM mail to the station in DPS order for the remaining 82 accounts. This allows clerk to count and do the accounting with celerity. On the day of our visit, mail was not provided in DPS order. The clerk had to manually case resulting in a delay to customers.

Author: WANDA YOUNG at WADC044L

Date: 3/31/00 2:11 PM

Normal

TO: AL LAICH at WADC068L, THOMAS J CINELLI at WADC028L

Subject: [REDACTED] Trip

----- Message Contents

Notes from [REDACTED] Trip

There are 700 active accounts. The 6,000 number is probably a district-wide figure.

BRM mail is jackpotted on the incoming and outgoing sort plans and staged to be sorted between 7:00 AM and 8:00 AM.

[REDACTED] sorts BRM for [REDACTED] Station @ 7:00 AM. Mail is dispatched on 7:30 trip. Accounting is done at [REDACTED] Station.

At the end of BRM sort for [REDACTED], an End of Run and BRMAS report pulled. End of Run provides counts per bin/stacker. BRMAS provides piece counts per 9 digit zip codes. Other information on the report: permit number and customer name.

Once mail is swept, it is taken to the postage due section. For revenue assurance purposes, clerks re-count to verify machine counts and take out pieces weighing over 1 oz. Accounting is calculated manually and mail is prepared for customer pick up the next morning between 3:30 AM - 7:30 AM. Once accounting function is completed, postage is deducted from customer's trust account.

[REDACTED] is using ADBR (Advance Deposit Business Reply). This software is developed in DOS to track Trust accounts - Accounts used to pay postage due and BRM postage.

All 700 active accounts are trust accounts.

[REDACTED] is also using BRM Permit software to track Permit fees and Business Reply accounting Fees.

[REDACTED] generates the following in revenue:

\$8 - \$10,000 - Monday
\$4 - \$6,000 - Tues. - Fri.

Clerks prepare mail for [REDACTED] and Stations and Branches:

Author: WANDA YOUNG at WADC044L

Date: 5/5/00 8:53 AM

Priority: Normal

TO: AL LAICH at WADC068L, THOMAS J CINELLI at WADC028L, RITA W CRAWFORD at WADC052L,
REBECCA SONODA at WADC053L, TOM E DALE at WADC060L, GWEN GESSWEIN

CC: MICHAEL F LEE at WADC055L

Subject: Notes from [REDACTED]

Meeting at [REDACTED] Station, a branch of [REDACTED]

In attendance:

Bill Gross
Gwen Gesswein
Tom Dale
Tom Cinelli
Rebecca Sonoda
Rita Crawford
Bill Gross
Inez Criddle - NAM
Susan Fujiki - NAM

[REDACTED] is now call [REDACTED] bought out [REDACTED]

EDS has the following unique ZIP codes

[REDACTED] - letters
[REDACTED] - Cards
[REDACTED] - Courtesy Reply

Separation are done for each box where an accounting fee is paid. Two DBCSS are dedicated to running mail for [REDACTED] from 15:00 to Midnight. During heavy periods the operation runs 24 hours.

[REDACTED] has 5 Customer Service Centers (CSC) and mail is separated according to CSC. [REDACTED] runs a primary sort plan which captures the heavy volume recipients. 85% of mail is finalized during the primary sort plan run. Low volume recipients are jackpotted in stackers according to CSC and rerun on a secondary sort plan. After the primary and secondary run is completed, Density Analysis (DAS) information by ZIP+4 is downloaded to a disk from both primary and secondary sort plans.

The program is able to determine when volume has changed from one day to the next and automatically adjust the ZIP codes from primary to secondary sort plans and vice versa on a daily basis. Also, the program will place heavy recipients at the front of the machine.

[REDACTED] picks up once a day at 4:00 AM. DAS information is uploaded in a program (rewrite of ADBR) that interfaces with BRM accounts. The program using the DAS information, does the accounting by 1oz, card etc. and gives a piece count on courtesy reply mail as a courtesy and deducts total from the account. Customer picks up statement at 8:00 AM.

There are 198 local accounts which are processed manually. BRM comes in with zone mail (station has carrier routes). BRM is jackpotted during a incoming primary run and taken to the postage due section, cased, counted and totaled and a manual bill is completed. Totals are deducted from ADBR system. Clerks can use the same automatic system used to process [REDACTED] mail but chose not to.

I believe this was a worth while trip and this type of system would benefit other offices. Bill is in the process of rewriting his system in Access97.

We have agreed to meet and discuss the Project Management Plan next Fri 5/12 from 9:00 AM to 12:00 Room 5543. We will be looking at revisiting what we should be focusing on in the short term, long term and timelines.

Thanks for your support.

Wanda Young

Author: WANDA YOUNG at WADC044L

Date: 5/19/00 12:05 PM

Normal

TO: BARBARA A BABINEAU at WADC035L, SUSAN W BERKELEY at WADC040L,
RENE B BERSAMIN at WADC035L, Mary J. Bronson at WADC068L, CHRIS F CAMPBELL at WADC053L,
THOMAS J CINELLI at WADC028L, RITA W CRAWFORD at WADC052L, TOM E DALE at WADC060L,
TOM G GALGANO at WADC060L, GWEN GESSWEIN, DAVID N GOLDSTEIN at WADC035L,
PATRICK J KILLEEN at WADC035L, AL LAICH at WADC068L, MICHAEL F LEE at WADC055L,
REBECCA SONODA at WADC053L, P CHRISTOPHER SULLIVAN at WADC035L,
KERRY J TROXEL at WADC035L, DEBORAH A MOBLEY at WADC028L,
BARBARA JEAN MCGINNIS at WADC035L

Subject: Notes from [REDACTED] Trip

----- Message Contents

[REDACTED] has a total of 790 accounts of which 250-300 are BRMAS accounts. [REDACTED] processes BRM mail for only three zones. There are 6 employees that work T-1, 2 on T-2 and 1 on T-3.

The Postage Due Business Reply (PDBR) software is a system developed by Raleigh IBSSC. It was developed to handle the manual processing of BRM. The following is a brief overview of how [REDACTED] handles BRM.

BRMAS and Non-BRMAS mail are jackpotted into separate stackers during Primary Incoming Processing.

[REDACTED] is committed to working BRMAS from 1:30 AM to 4:00 AM on a BCS. Postage Due Statement PS Form 3611 is generated from the BCS. BRMAS mail is swept, a copy of PS Form 3611 is placed with the mail, and then dispatched to the caller unit or [REDACTED] station for delivery. A copy of PS Form 3611 is given to the Postage Due clerk for entry in the PDBR system. This is a manual process. The clerk inputs as many as 300 entries a day.

Non BRMAS is swept and taken over to the Postage Due section to be cased, counted or weighed. The number of pieces per account is inputted and the software calculates the postage based on the type of mail (postcard, letter, flat) and deducts the postage from the customer's account. An activity statement is printed and placed with the mail for delivery. The activity statement provides opening and closing balances and deductions.

The postage due clerk does the entries from the BRMAS mail at 7:00 AM and produces a final activity statement for BRMAS customers. This final statement will have a total of Non BRMAS deductions if there were any and the BRMAS deductions and opening and closing balances. The statement is mailed to customer for next morning delivery.

The problem with this system is the manual entries from BRMAS. We asked if there was a way to interface PDBR software with the BRMAS counts. We were told that Raleigh is working on this feature and should be 85% complete. I will contact Raleigh to confirm and discuss the feasibility of using this system on a national level.

Some other interesting issues came up.

One issue deals with offices that use the Permit system. Permit system has no provisions to keep the original anniversary date when BRM renewal fee is paid beyond the original date. For example if a Bulk rate permit fee is paid two months after the anniversary date, the system will reflect the new date which is fine because the

customer is paying the fee when he/she plans to send out a mailing. However, Permit system is doing the same when BRM permit fees are renewed. If a customer renews a BRM permit beyond the anniversary date, the system is reflecting the new date. It is my understanding that this shouldn't happen because BRM mail is continually being returned to the customer. I can see this situation being viewed as an inconsistency in our organization. I'm sure there are offices that are recording the renewals manually and reflecting the original anniversary date.

The other issue deals with the inability to rename and save a sort plan when using BRMAS software on a BCS. [REDACTED] runs 5 sort plans for their BRMAS mail because of the number of accounts. At the end of each run, the system saves form 3611 to the hard drive then a final report, Postage Due Statement for Automated BRM is printed.

At one point [REDACTED] was able to save the file under another name, save it to a disk and continue to process the next run. The ability to rename and save the file was eliminated. Therefore in order to save the data to a disk [REDACTED] would have to stop and start processing for each run. Saving the data to a disk would provide the interface to the PDBR system.

Wanda Young

Author: WANDA YOUNG

Date: 7/21/00 11:02 AM

Normal

Subject: Notes from [REDACTED]

----- Message Contents

Visit to [REDACTED] Station:

All BRM mail for [REDACTED] is processed at [REDACTED] Station. There are 2900 BRM accounts and 19 zones. BRM is run on 10 sort plans. There are 3 Primary sort plans and 7 secondary sort plans.

Tour 2 runs the Primary sort plans: 77, 88, 99. Sort plan 77 breaks down to 19 zones and couriers/callers. Sort plans 88 and 99 break out to couriers only. After processing, an activity statement and billing statement are produced. The billing statement is banded around the mail and activity statement taken to the postage due accounting area. The courier mail is staged in an area separate from the zone mail. The window of operation on T-2 is 7:00 AM to 3:30 PM.

Note - Printing the billing and activity statements, along with wrapping bills around mail, take up an exorbitant amount of time.

Tour 3 runs (7) secondary sort plans which break out to individual customers per zone. After processing, an activity statement and billing statement are produced. The bill is placed with the mail and activity statement given to the Postage Due clerk. The window of operation on T-3 3:30 PM to 11:30 PM.

Tour 1 employees in Postage Due section manually deducts postage from Permit system using the activity statement. Employees also prepare and deduct postage for BRM that's handled manually. If customers only receive BRM mail that was processed on automation, they will not receive an account balance. The billing statement (PS Form 3611) does not have an account balance. When BRM mail is handled manually (mail received from operations 030 or 150), customers will receive a statement with a balance.

During the accounting process, any accounts that are: out of funds, no fees paid, postage due, box rent due, mail is pulled from the staging areas and placed in a post con placard with the aforementioned categories. Letters are sent out to the customers advising of the account status and that the mail will be held until the account is current.

Also on Tour 1, Box Section [REDACTED] is processed from 1:00 AM - 7:00 AM.

BRM mail for station and branches is forwarded to the appropriate office during the AM dispatch. Couriers begin to pick up @ 5:00 AM.

Therefore, when BRM comes into the station in the PM, it is jackpotted on a primary sort plan and held for processing until T-2. The accounting function is completed on T-1, mail is given to customers beginning at 5:00 AM.

Author: THOMAS J CINELLI at WADC028L

Date: 7/25/00 9:45 AM

Normal

Subject: BRM [REDACTED] plant visit

----- Message Contents

Wanda,

My notes from this visit were deleted by cc:Mail. I was unaware of the time limitation on files stored in folders and I neglected to protect that file. I also took this trip before we had set up the visit guide.

For the assessment document:

[REDACTED] separates mail processing from accounting.

Mail meets dispatch deadlines

BRM mail is handled at all branches and stations.

As I recall [REDACTED] had 600 to 800 BRM customers.

Mail arrives to the unit beginning at 11 pm.

Tally sheets are stored in each box.

High volume accounts are not recounted - use automation counts.

Data is input into a spreadsheet.

This spreadsheet is provided to a customer - via FCM daily.

• Data entry into permit occurs after the mail has been dispatched.

[REDACTED] proactively manages low balances and informs customers before the balance drops below zero.

That's about all I remember as noteworthy. It is a good operation.

Tom

[REDACTED] Processing & Distribution Center

Business Reply Mail Review

REVISED REPORT

January 22 – 24, 2001

Headquarters Team Members

**Rene B. Bersamin – Industrial Engineer
Rita W. Crawford – Financial Systems Specialist
Jeffrey Fistel – Operations Specialist
Barbara J. McGinnis – Operations Specialist
Sharon G. Michelson – Marketing Specialist
Rometta D. Shields – Manager, BRM Unit
Linda Venable – Revenue Assurance Coordinator [REDACTED]
Wanda Young – First-Class Mail**

Date: March 6, 2001

Overview

The Business Reply Mail (BRM) / Mailers Technical Advisory Committee (MTAC) working group asked that a review checklist be developed for plants, post offices, stations, and branches that would identify best practices and opportunities to assist field offices in improving BRM service. The [REDACTED] Processing and Distribution Center (P&DC) was identified to review by this team because of the large customer base and past BRM service performance scores.

The review was divided into three functional areas: Mail Processing Distribution Operations, Customer Service, and Finance.

Jeffrey Fistel, Rometta Shields, and Barbara McGinnis conducted the mail processing review. The purpose of the review was:

- To identify possible causes for delays in the processing of BRM on automated equipment.
- To identify recommendations to improve operational mail flows.

Rene B. Bersamin, Rometta Shields, and Wanda Young conducted the customer service review. The purpose of the review was:

- To identify areas or best practices to improve BRM service performance scores.
- To streamline the BRM process through the customer service area and provide recommendations.

Rita Crawford, Rometta Shields, and Linda Venable conducted the financial review. The purpose of the review was:

- To identify possible process that could lead to delays in meeting the BRM First-Class delivery standards.
- To identify possible revenue losses or risks.

Sharon G. Michelson reviewed flow chart of BRM at the [REDACTED] plant.

Tony Brown, Grace Contee, and Janice Banks provided assistance in our review.

Scope of Review

This review covered the centralized BRM process during a 24-hour time frame in the [REDACTED] on January 22 - 24, 2001. Please note this team did not review any of the operations for the Official Business Reply Mail.

Mail Processing and Customer Service

Current Situation - Mail Processing

The [REDACTED] P&DC begins to process box mail (remittance mail [REDACTED]) at 10:30 p.m. on Tour-1. The P&DC plant operations gave customer service a Delivery Bar Code Sorter (DBCS) 30 with 198 stackers to run all box mail for [REDACTED] and business reply mail (BRM) for ZIP Code [REDACTED] and [REDACTED]. P&DC mail processing unit provides two mail processors to customer service at 10:30 p.m. until 7:00 a.m. to operate DBCS 30. At 7:00 a.m. (Tour-2), two customer service casals take control of DBCS 30 from the two mail processors to begin running BRM for [REDACTED] and [REDACTED].

The End-of-Run (EOR) reports for Accounting Periods (A/P) 3, 4, and 5 up to January 22 shows the average daily volume (ADV) for box mail [REDACTED] is 49,950. Reviewing the EOR reports shows the operational throughput at approximately 14,800 pieces per hour. DBCSs have the ability to process 39,500 mail pieces per hour and it is reasonable to achieve at least 25,000 – 30,000 operational throughputs. The total amount of time required to process the ADV for box mail [REDACTED] is 1.25 hours of run time or two hours of operational run time. Currently, the [REDACTED] P&DC use seven hours to process this mail.

Tour-1 (P&DC) processes Box Mail [REDACTED] remittance mail, sort plan [REDACTED], beginning at 10:30 p.m. until 7:00 a.m. On Tour-1, JV90 sort plan pulls all the large remittance directs and has one holdout (stacker #56) that has been identified as the main office window (MOW) holdout. Stacker 56 represents 9.5% of the total sort plan. This mail is staged to be re-run in Delivery Point Sequence (DPS) order at approximately 5:30 a.m. The combined total average daily volume for 1st and 2nd pass is approximately 13,000 mail pieces. Using a run throughput of 39,500 pieces per hour or an operational throughput of 25,000 pieces per hour, it should require no more than 45 minutes to process this DPS zone. Currently, DPS processing is usually completed by 7:00 a.m. by customer service using mail processors from the plant side. Due to customer inquiries it is required that the remittance mail be processed by 5:30 a.m. in order to meet the needs of the large volume remittance customers. At 7:00 a.m. Tour-1 turns over DBCS 30 to Tour-2 (customer service) to run BRM using sort plan [REDACTED] and [REDACTED].

Customer Service

Current Situation – Business Reply Mail (BRM) Automated Sort Plans

Customer Service begins to process BRM ZIP Code [REDACTED] at 7:00 a.m. All of the BRM comes from DBCS, OCR, and ISS/OSS sort plans that have one bin jack-potting [REDACTED] working mail. For A/Ps 3, 4, and 5 up to January 22, 2001 the ADV for BRM was 92,100. This mail is tagged and labeled for customer service to run on DBCS 30 using the Business Reply Mail Accounting System (BRMAS). The BRM sort plan [REDACTED] run in the P&DC also includes all their city zones on seven separate sort plans (B01, B02, B03, B04, B06, B07, B36). All BRM is initially run on sort plan [REDACTED]. The number of customers is greater than the number of stackers available on DBCS 30.

causing customer service to split the sort plan into two additional sort plans. Sort plan [REDACTED] has two holdouts identified as [REDACTED] (stacker #11) and [REDACTED] (stacker #12) to rerun the overflow from [REDACTED]. Stacker 1 [REDACTED] has an ADV of 34,866 which represents 38% of the total amount of mail run on [REDACTED] and stacker 12 [REDACTED] has an ADV of 6,727 representing 7% of the mail. The BRM Zone mail (7 sort plans) represents 23% of the total amount of mail processed on [REDACTED].

[REDACTED] separates the mail in the following way:

- [REDACTED] 38%
- [REDACTED] 7%
- Zone mail (7 sort plans) 23%

Total 68%

- Large Customer Directs 32%

It should be noted 68% of this mail is re-handled with the use of the current sort plans. Only 32% of the mail is finalized on [REDACTED].

Once [REDACTED] is completed and the BRM bills are printed from DBCS 30 [REDACTED] and [REDACTED] sort plans are run and the bills are printed for each sort plan. Usually these three sort plans are completed during Tour-2.

Tour-3 is responsible for completing any activities not completed by Tour-2. Tour-3 is also required to run the BRM zones (7 sort plans) and print the bills. Both the mail and the bills are dispatched together to the city zones for the next business delivery day. In some cases, the delivery of BRM to the city zones is delayed by one to three days.

Recommendations for Mail Processing & Customer Service Sort Plans

On [REDACTED] during A/P 3, 4, and 5 up to January 22, at least 45% of the mail (36,753 mail pieces) is being rehandled on [REDACTED] and [REDACTED]. It is recommended BRM sort plans [REDACTED] and [REDACTED] be reviewed and re-designed to be density driven in order to reduce the re-handled volume. It is also recommended that two additional holdouts (CV88 and CV99) be added to the 142 FC 895 and 198 FC 895 sort plans. The total affect of these two recommended changes would increase run time for [REDACTED] but would reduce run time for [REDACTED] and [REDACTED]. This would permit the smaller amount of volume for [REDACTED] and [REDACTED] to be available for the P&DC to process late on Tour-1 (early, early a.m.) in order to be delivered for that day. Sort plan [REDACTED] has 10 empty bins (185-194) available for the 10 highest density bins from [REDACTED] which would reduce the re-handling by 15,852 mail pieces per day or 30 minutes of run time. On [REDACTED] there are 100 bins that average less than 90 mail pieces per day over A/P 3, 4, and 5 up to January 22. By contrast there are 40 bins from [REDACTED] that receive over 250 pieces per day.

If the 40 bins from [REDACTED] were moved to [REDACTED] and the 30 lowest density volume holdouts removed from [REDACTED] to [REDACTED] this would reduce the re-handling of mail by 29,625 or approximately one hour of run time.

If these holdouts are placed on the sort plans properly, then the plant could run [REDACTED] and [REDACTED] on other DBCSs that become available when DPS for city zones is completed. This would improve service and customer service would not have to process this mail on T-2. This would advance BRM to customers by one to three days.

Manual Operations

[REDACTED] does not handle the accountability on BRM cash accounts for stations and branches. BRM mail for cash account customers is being looped from [REDACTED] plant to stations and branches. [REDACTED] bundles and identifies this mail for stations and branches to handle the accountability but the mail is being returned back to [REDACTED]

Recommendation: To provide instructions to stations and branches in the processing of this mail when received from the plant to eliminate looping. Train clerks to properly handle and account for BRM. Have regular stand-up talks on new procedures and changes in regulations relating to BRM. Establish a process to handle missent mail.

"FIM B" Envelopes & Post Cards Issued by USPS

National permit number [REDACTED] is a national concern. Stamps by Mail and Post Office Box Fee are placed in USPS lobbies as a convenience for customers to mail in a payment for the requested service. It is a generic envelope and/or post card. Offices are placing blank envelopes without delivery information in lobbies and payments are sent to the national permit office in [REDACTED]. This process causes a delay in the customer receiving a stamp order and when the customer calls to inquiry about the status of the order, the local office has no record. A box rental payment from a customer in Alaska was delivered to the [REDACTED] because no delivery information was indicated on the envelope. This causes a delay in box rental fees being received, which could result in the PO Box being closed.

Recommendation: Even though [REDACTED] P&DC has no control over properly stamping Stamp by Mail and Box Rental payment envelopes, etc., it is recommended the national Retail Operations provide instructions to field offices with the proper procedures in handling of this mail.

Receiving Post Offices must stamp the office name and delivery address on Stamp by Mail and Box Rental payment forms to ensure that the envelope is returned to the appropriate office. This situation should be addressed by Retail.

Ancillary Endorsements

There is concern of the number of accounts that are out of funds due to short payment or address corrections. Customers are using ancillary endorsements on out going mail pieces and will not pay the appropriate fees for returned mail pieces. The mail

accumulates taking valuable floor space and creating additional workhours used to try to collect funds. If payment is not received, this mail is forwarded to the Mail Recovery Unit.

Recommendation: Develop a partnership with Account Representatives, P&DC and Customer Service in order to identify customers not adhering to policy and procedures. Account Representatives should contact customers and share the concerns of the plant and take the opportunity to encourage using additional services that are available by the Postal Service.

Courier Pick-up

There are many couriers who pick-up BRM once a day. Pick-up is prior to the completion of processing all available BRM for that day. Mail that is not picked-up is held at the plant for the following morning pick-up.

It was also noted courier mail was placed in the wrong staging equipment waiting for pick-up.

Recommendation: It is recommended that changes be made in the sort plans to better serve our customers. However, this may include changing some of the scheduled courier pick-up times. Customer service should notify customers of these changes. This would provide the plant the opportunity in providing all BRM available to customers for that day's work.

It is also recommended to verify mail waiting for courier pick-up and that this mail is properly staged. Establish a quality checklist to use to verify proper tagging and staging of this mail for customer pick-up. Provide training with stand-up talks to employees in the proper procedures of handling BRM.

Finance

Business Reply Mail (BRM) Unit

Revenue generated for BRM is approximately \$15.5 million in revenue per year for approximately 2,500 - 3,000 BRM accounts. The BRM unit operates on a 24-hour operation and is responsible for processing all BRM mail on Delivery Bar Code Sorter (DBCS) 30. The BRM unit supervisor is responsible for developing sort plans for the DBCS, processing the mail, the accounting processes, and customer inquiries. The DBCS uses the Business Reply Mail Accounting System (BRMAS) application - a computerized system used to print customer bills for machineable mail. BRMAS provides a printed bill that is attached and sent with the processed BRM to the customer. Also, a copy of this bill is forwarded to the manual unit for manual inputting of the account information into the Permit System to update all trust account balances. The Permit System is also used for the accountability of manual processed BRM. The Permit System runs on a VAX system supported by Raleigh, NC Information Systems Service Center (ISSC).

Finding - High Balance Accounts with Low Activity

There are many trust accounts having high balances on deposit for over a year and have relatively low activity as shown in Table 1 below. An analysis of all accounts in the P2408, Business Reply Account Activity reports (reports are on file) showed that there are many trust accounts that have high balances on deposit for over a year but have relatively low activity. The earliest high balance deposits with low activity dated 1994.

Further research is required on these accounts to determine their current status. A thorough review of the [REDACTED] account [REDACTED] should also occur with respect to the possibility that revenues have not been accounted for. The trust account balances totaled approximately \$3,881,412. According to Report P20305: Postal Service Permit System / As Requested Report Processing Module / All Business Reply Report Sorted on Permit dated 10/04/2000 there are:

Total Mailers	5,798
Total Permit Fees Paid	1,731
Total Accounting Fees Paid	1,528
Total Issued IN Mailers	75

Table 1: Sampling of Accounts with High Balances is representative of high balance accounts that are in PERMIT.

BRM No.	Account Name	Balance	Year of last deposit	Yearly Activity
[REDACTED]	[REDACTED]	\$12,839	1997	\$1,278
[REDACTED]	[REDACTED]	\$3,734	1998	\$50
[REDACTED]	[REDACTED]	\$2,750	1997	\$26
[REDACTED]	[REDACTED]	\$3,462	1995	\$55
[REDACTED]	[REDACTED]	\$2,047	1996	\$14
[REDACTED]	[REDACTED]	\$1,087	1998	\$26

	\$1,403	1996	\$40
	\$35,917	1996	

Table 2 below shows the potential risk by ZIP Code of accounts with balances over \$300 and old deposit date dating from 1998 and earlier. Supporting documentation on the account balances is available in the review file. These high balances present a possible \$412,000 at risk to the Postal Service. That is 10.6% of the total trust account balances that are at a potential risk.

Table 2: Potential Risk by ZIP Code

ACCOUNT ANALYSIS

ZIP CODE	Total Trust balances	Number of Accounts	Balances with old deposit dates (>\$300)	Number of Accounts with old deposit dates	Dollar Percent at risk
	\$231,995	169	\$44,894	31	19.4%
	\$269,656	97	\$9,368	16	3.5%
	\$141,392	131	\$18,262	25	12.9%
	\$347,174	324	\$32,422	44	9.3%
	\$159,782	207	\$40,838	37	25.6%
	\$43,122	82	\$11,967	13	27.8%
	\$26,926	52	\$5,944	9	22.1%
	\$75,067	105	\$5,609	8	7.5%
	\$4,975	11	\$0	0	0.0%
	\$6,917	27	\$568	6	8.2%
	\$10,119	22	\$2,825	3	27.9%
	\$89,054	80	\$46,593	15	52.3%
	\$23,325	42	\$7,648	6	32.8%
	\$4,985	23	\$2,488	7	49.9%
	\$248,795	421	\$50,572	80	20.3%
	\$86,990	97	\$9,014	12	10.4%
	\$148,922	41	\$7,076	7	4.8%
	\$1,962,217	638	\$116,788	99	6.0%
	\$3,881,412	2569	\$412,876	418	10.6%

* No [redacted] has \$35,917 balance

Source: P20103 Business Reply Mail Balance

These high balances from prior years present the following concerns:

- Account balances that customers are allowing to sit for a long period may reflect the possibility that the United States Postal Service (USPS) failed to enter a mailing and reduce the trust account which results in revenue lost to the USPS.
- Inactive accounts with high balances present an opportunity for fraud on the part of the customer's employees and/or postal employees.

- Postal reform may present the USPS with the requirement to adhere to state laws requiring these accounts be held by the states.
- Agencies and /or organizations may use postal accounts to improperly represent their financial position.

All of these accounts are not necessarily a problem, but they all should be evaluated.

Recommendations:

- Contact the customer to ask for resolution of accounts with large balances. Reduce balances to more appropriate amounts to reflect activity.
- Contact customer and close inactive or low activity accounts.
- Contact Corporate Accounting Headquarters to discuss the possibility of closing accounts with low activity.

Inactive Permit Accounts

There are numerous Permit accounts that are no longer active but have not been closed. Listed in Table 3 below shows 45 accounts that should be closed because of no activity for over a year and have not paid the appropriate fee to keep the account open.

As identified in the prior observation, these accounts also present a risk to the Postal Service. Monies may be owed to the USPS but the funds have not been taken into revenue. Or these accounts present a risk of fraud on the part of customer employees or USPS employees.

Recommendation: Close all inactive accounts. For Postage Due Accounts with a zero balance, as soon as the 60-day "no activity" is reached, close these accounts. For BRM accounts with low or no activity over a year, contact the customer to close the account. For permits that have been closed with a zero balance, delete the permit account number from the permit system.

Table 3: Accounts that should be closed

Permit Number	Firm	Name	Balance	Last Activity
			\$0	2/4/1998
			\$.22	11/01/1999
			\$.14	04/15/1999
			\$49.81	01/11/1999
			\$90.94	11/30/1999
			\$71.02	8/29/1995
			\$18.48	5/20/1997
			\$80.44	10/20/1999
			\$9.18	6/9/1999
			\$25.94	8/29/1997
			\$395.97	11/29/1999
			\$92.40	3/14/1996
			\$81.52	11/13/1997
			\$5,000.00	10/28/1998
			\$99.30	11/23/1998
			\$20.00	10/23/1998
			\$9.42	9/14/1999
			\$926.37	11/09/1998
			\$398.91	9/24/1998
			\$7.03	12/09/1999
			\$.22	11/01/1999
			\$102.83	09/23/1997
			\$1406.67	12/03/1999
			\$9.44	7/13/1999
			\$272.10	5/29/1998
			\$14.85	12/12/1999

	\$402.02	7/31/1997
	\$321.47	12/17/1999
	\$100.	1/15/1998
	51.47	9/28/1999
	\$594.98	11/22/1999
	\$40.51	6/17/1998
	\$80.57	8/9/1999
	\$37.20	3/10/1997
	\$46.85	3/31/1999
	\$956.06	9/13/1999
	\$20.98	4/2/1998
	\$10	7/9/1998
	\$4.65	8/3/1999
	\$21.04	12/26/1997
	\$17.50	4/15/1999
	\$25.00	9/23/1996
	\$217.20	8/15/1997
	\$16.18	10/10/1996
	\$11.08	6/21/1999

Re-keying of electronic data

A BRMAS bill is printed from the DBCS. This mailing activity information is subsequently manually keyed into the Permit System to reduce the BRM trust fund accounts.

Keying of data always presents a risk that incorrect data could be entered. Manual keying of financial data means higher workhours in order to complete the processing and accountability of this mail.

Recommendation: The BRMAS file should be transmitted to Raleigh for input into the VAX Permit System as a transaction file. Headquarters (Finance) will continue to review this concern on a National level.

Unavailability of VAX Permit System

The VAX Permit System was down from 1/22/2001 8:00 p.m. until 1/23/2001 2:00 p.m. The Permit system is used on all three tours. According to several members of the BRM unit, the system is down frequently.

The unavailability of the VAX means that deposits can not be timely entered into the system and mailing activity can not be deducted from account balances. Not only does this cause backlogs in the data entry, but it also causes delays in producing bills and possible delays in the dispatch of mail.

Recommendation:

- Notify Raleigh VAX support personnel of the three tour use of the VAX system so Raleigh can provide the appropriate customer service support when necessary.

- Have local Information System (IS) provide the interface with Raleigh for VAX support. Ensure downtime is coordinated with the BRM unit.

Manual review of three reports required prior to mail dispatch

Clerks are required to review three separate reports prior to dispatch of mail in order to assure that fees have or have not been paid and that funds are in the trust account to cover the mail. The three reports are:

- No fee Payment / Box Rent Due / Early Payment report
- Daily Deposit Transaction Summary [REDACTED] or the POS One Report / Advance Deposit Trust Acct Activity
- Daily Report Processing Module / Out of Funds [REDACTED]

This activity is time intensive and increases the workhours that are required to process this mail. Reviewing data manually on these three reports could result in mishandling of the mail. In addition, the mail is possibly delayed from dispatch until this manual process is completed.

Recommendations: Possibilities for improving this area are:

- By cleaning up the Permit and BRM data, the number of accounts for review will be reduced and the reports may be shorter.
- Possible changes to the sort plan on a daily basis to reflect out of funds or no fee paid accounts. These accounts could go immediately to the reject bins. This might allow the worked mail to be dispatched immediately without requiring a manual review prior to dispatch.

Permit report print quality

The print quality of reports off the Permit system is poor due to inadequate maintenance of the machines, poor quality prints cartridges or age of the equipment.

These bills present a poor image (Figure 1 below) to the customer when they can not be clearly read or when they contain large ink smears across the pages. Also reports that can not be clearly read could result in a misinterpretation of the report and subsequently result in incorrect handling of the mail.

Recommendations:

- Obtain local support from IS to have maintenance cleaning performed on the printers.
- Obtain local support from IS to evaluate the printers for possible replacement.
- Obtain local support from IS to investigate the use of higher quality laser cartridges.

56

POSTAL SERVICE PENALTY STATEMENT
AS REQUESTED REPORT PROCESSED ON MONTH
MONTHLY REPLY ACCOUNT ACTIVITY FROM 01/01/01 TO 01/31/01

DATE 1/31/01
PAGE 1

2011
NAME
CITY

TRANSACTION NUMBER	DATE	DEPOSIT	WITHDRAWALS	SUBSIDY BALANCE	REMARKS	CLEAR	LOCAL
2001002004013000	12/29/00		\$2.49	\$1,934.44	WITHDRAWAL	NO	20001
2001003051036000	1/02/01		\$0.84	\$1,072.60	WITHDRAWAL	PPY	10001
2001002100426400	12/29/00		\$1.05	\$1,052.55	WITHDRAWAL	2H	10001
2001003044001000	1/03/01		\$0.89	\$1,051.66	WITHDRAWAL	PPY	10001
2001002100443700	1/02/01		\$1.85	\$1,048.81	WITHDRAWAL	2H	10001
2001004050421900	1/03/01		\$0.15	\$1,047.70	WITHDRAWAL	NO	10001
2001002100310900	1/04/01		\$1.05	\$1,046.65	WITHDRAWAL	OC	10001
2001002100315700	1/03/01		\$0.97	\$1,045.68	WITHDRAWAL	PPY	10001
2001002003443700	1/04/01		\$0.48	\$1,044.20	WITHDRAWAL	PPY	10001
2001002003530000	1/05/01		\$0.60	\$1,033.60	WITHDRAWAL	OC	10001
2001006100200000	1/06/01		\$0.65	\$1,032.95	WITHDRAWAL	2H	10001
2001002004111600	1/06/01		\$2.34	\$1,030.61	WITHDRAWAL	PPY	10001
2001002004411600	1/07/01		\$0.40	\$1,029.21	WITHDRAWAL	NO	10001
2001009005777000	1/08/01		\$4.48	\$1,020.73	WITHDRAWAL	NO	10001
2001010004448000	1/09/01		\$3.96	\$1,016.77	WITHDRAWAL	NO	10001
2001010005104400	1/10/01		\$1.10	\$1,015.67	WITHDRAWAL	PPY	10001
2001010102113700	1/11/01		\$1.12	\$1,014.55	WITHDRAWAL	PPY	10001
2001010105057000	1/10/01		\$3.04	\$1,011.51	WITHDRAWAL	NO	10001
2001012004140100	1/11/01		\$2.20	\$1,009.31	WITHDRAWAL	NO	10001
2001013004048100	1/12/01		\$0.72	\$1,008.59	WITHDRAWAL	NO	10001
2001012101504900	1/13/01		\$0.64	\$1,007.95	WITHDRAWAL	2H	10001
20010151003390	1/14/01		\$10.00	\$997.95	WITHDRAWAL	2H	10001
2001010543216400	1/16/01		\$5.80	\$992.15	WITHDRAWAL	PPY	10001
2001010512113000	1/15/01		\$0.72	\$991.43	WITHDRAWAL	OC	10001
2001017040057000	1/16/01		\$5.40	\$986.03	WITHDRAWAL	NO	10001
2001017044221000	1/17/01		\$0.88	\$985.15	WITHDRAWAL	PPY	10001
2001010032263800	1/17/01		\$1.66	\$983.49	WITHDRAWAL	2H	10001
2001010038419000	1/18/01		\$0.74	\$982.75	WITHDRAWAL	PPY	10001
2001010039370000	1/18/01		\$7.30	\$975.45	WITHDRAWAL	NO	10001
2001010042637900	1/19/01		\$2.13	\$973.32	WITHDRAWAL	2H	10001
2001012032391000	1/22/01		\$2.18	\$971.14	WITHDRAWAL	PPY	10001
2001010102113700	1/23/01		\$0.40	\$970.74	WITHDRAWAL	NO	10001
2001022103501000	1/21/01		\$35.64	\$935.10	WITHDRAWAL	2H	10001

FOR FURTHER INFORMATION, CONTACT THE POSTAL SERVICE AT 1-800-375-3737.

The BRMAS system recognizes all mail sent through the DBCSs with ZIP Code [REDACTED] as the identification for BRMAS letter mail. The BRMAS letter mail is counted by the DBCS and the customer is charged with a discounted letter rate. ZIP Code [REDACTED] is recognized as a post card and is counted and charged with a discounted post card rate. The post card rate is lower than the letter rate. A review of mail from the DBCS and in the BRM unit revealed that customers are using the post card ZIP Code on letter mail, thereby getting a lower rate for letter mail. Figure 2 below is an example of an incorrect postnet barcode used for letter mail.

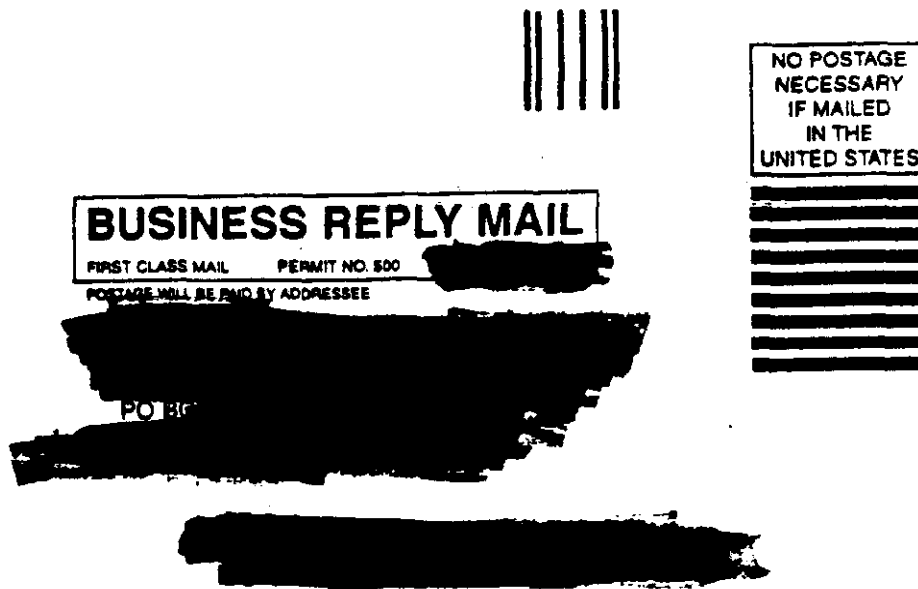


Figure 2: Letter Mail using post card rate ZIP Code

There are no controls in place to identify customers using incorrect postnet barcodes for BRMAS. This results in a loss of revenue to the USPS.

Recommendation: Involve a Mail Piece Design Analyst in a discussion with the customer to resolve this situation. The Mail Piece Design Analyst should periodically review mail for dispatch to ensure proper BRM mail make-up.

Separation of Duties

A review of the procedures used in the BRM unit indicated that the same person is used to update deposits, withdraw monies from the trust fund accounts, and resolve customer inquiries. Accounting principles recommend a separation of duties when handling funds in trust fund accounts.

Recommendation: Change the responsibilities for accounts to where different clerks are entering deposits and withdrawing funds.

Incorrect BRM mail make-up

No one is assigned to handle BRM mail irregularities such as incorrect barcodes, incorrect ZIP Codes, incorrect Facing Identification Marks (FIMs), etc.

Because of mail irregularities, BRM is going to the wrong address and looping in the postal system resulting in additional workhours and delaying the mail.

58

Recommendation: Assign a Customer Service Mail Piece Design Analyst to BRM unit to contact customers concerning these problems.

Thank You

It should also be noted that the employees of the [REDACTED] and Customer Service were helpful and cooperative in providing information and reports. Their support to our review will include many best practices in the BRM handbook for other plants, post offices, stations and branches to use. Headquarters appreciated the time and effort that was provided from all the employees we interviewed during this review.

The above are recommended changes by team members; however, if you feel there are other better methods for service improvement that we may not have considered for BRM please let us know so that we may incorporate those into our Best Practice Handbook for BRM. We would appreciate your feedback within 90 days of this report. Please send your comments to Barbara J. McGinnis by cc mail or mail to 475 L'Enfant Plaza RM 7631, Washington, DC 20260-2814.

File: (g) 20077DC00101