

USPS-T-1

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

CONFIRM

Docket No. MC2002-1

DIRECT TESTIMONY
OF
PAUL BAKSHI
ON BEHALF OF
UNITED STATES POSTAL SERVICE

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1 **Direct Testimony**
2 **Of**
3 **Paul Bakshi**
4

5 **AUTOBIOGRAPHICAL SKETCH**
6

7 My name is Paul Bakshi. I currently serve as the Confirm[®] Program Manager in
8 Product Development Department, United States Postal Service. I have been in this
9 position since 1997. My responsibilities include facilitating the development and
10 implementation of the Confirm[®] Service.

11 I have been with the Postal Service for about 30 years. During this period, I have
12 held several positions in various departments including Engineering, Real Estate and
13 Buildings, Mail Processing, Operations and Marketing. Prior to my current position, I
14 held a management position in Address Information Systems. I was responsible for the
15 development and maintenance of address information databases. I was also
16 responsible for the development of several address management products used by
17 mailers and the Postal Service to improve the quality of addresses. I worked in the
18 address management area for about 10 years. Other assignments during my career
19 include Operations Officer, Computer System Analyst, Industrial Engineer and Program
20 Analyst Officer.

21 I have a Bachelor of Science degree in Mechanical Engineering from Howard
22 University.

1 **I. PURPOSE OF TESTIMONY**

2 The purpose of my testimony is to describe the Confirm[®] service and its
3 operation. I describe the service, its operation, and the various stages of
4 implementation. There are no workpapers or library references directly associated with
5 this testimony.

6 **II. PRODUCT DESCRIPTION**

7 The Confirm[®] service is an integral part of the Postal Service's overall vision for
8 providing greater value to mailers. Confirm[®] can help mailers better manage their
9 businesses and enhance their relationships with their customers.

10 Mailers use Confirm[®] information to learn when outgoing mail is nearing delivery
11 or when reply pieces have been mailed and are on their way. There are two types of
12 Confirm[®] service: *Destination* Confirm[®] for outgoing mail such as solicitations, credit
13 cards, and statements; and *Origin* Confirm[®] for incoming reply mail such as payments,
14 orders, and responses to campaigns. With Confirm[®] information, mailers have a tool to
15 more precisely align their business processes and resources with the actual processing
16 and delivery of the mail.

17

18 *Destination* Confirm[®] for outgoing mail offers mailers potential benefits such as:

- 19 • Knowing that customers are about to receive bills, credit cards, insurance
20 cancellation notices, direct mail solicitations, and other important mail;
21 • Increasing response rates by synchronizing telemarketing with the delivery of
22 direct mail solicitations;

- 1 • Providing documentation to their customers that mail was sent and that the
2 Postal Service has begun processing the pieces;
- 3 • Knowing that customer orders have been fulfilled.
- 4 • Using delivery information to efficiently staff call centers. For example,
5 knowing when invoices are about to be delivered, a telephone company could
6 improve its ability to predict volume of telephone inquiries regarding billed
7 transactions on a given day and staff their center, accordingly.

8

9 *Origin Confirm*[®] for incoming reply mail offers mailers potential benefits such as:

- 10 • Knowing in advance who is returning payments;
- 11 • Processing payments more efficiently and managing cash more effectively;
- 12 • Processing mail orders more efficiently by planning staffing and inventories
13 based on more accurate information;
- 14 • Evaluating quickly the success of an ad campaign;
- 15 • Reducing the costs associated with sending dunning notices.

16

17 *Confirm*[®] is designed to meet the needs of many types of mailers, but particularly
18 those of large-volume national mailers that have a need to improve their mail-related
19 business processes or refine their customer data.

20 *Confirm*[®] uses a new bar code technology called PLANET Code to help
21 commercial mailers track individual automation-compatible letter-size and flat mail
22 pieces. The service helps track outgoing mail and incoming reply mail pieces and is
23 likely to be used by mailers or recipients of First-Class Mail, Standard Mail, and

1 Periodicals. To use Confirm[®], mailers place two barcodes on the front of their outgoing
2 or incoming reply mail pieces; (1) the POSTNET barcode identifying the delivery point,
3 and (2) a PLANET barcode. Within the PLANET Code, mailers embed a postal
4 assigned ID Code and their own information so that their mail pieces can be tracked
5 throughout the Postal system. Consequently, the PLANET and POSTNET Codes can
6 be used together to uniquely identify each mail piece. More importantly, the letter and
7 flat sorting equipment read both PLANET and POSTNET Codes simultaneously without
8 impacting mail processing throughput. Confirm[®] data, which consist of PLANET Code,
9 POSTNET Code, the facility where mail pieces are processed, USPS operation number,
10 and date/time of processing, which are then sent to a centralized Postal Service data
11 server and provided to the mailer electronically in near real-time either through the
12 Confirm[®] web site or directly to the mailer's computer.

13 The PLANET Code is similar to the Delivery Point POSTNET Code. It consists
14 of 12 digits represented by a combination of tall and short bars. The PLANET Code
15 symbology for each digit is the inverse of each corresponding POSTNET digit. Each
16 POSTNET digit contains a combination of two tall and three short bars and each
17 PLANET digit contains three tall and two short bars – a “mirror image” of each
18 POSTNET digit.

19 The first two digits of the PLANET Code represent the service type – Destination
20 or Origin Confirm[®], class and shape of mail (e.g., Service ID 40 represents Destination
21 Confirm[®] for First-Class letters). The structure of the next nine digits differs for
22 Destination and Origin Confirm[®]. For Destination Confirm[®], these digits include a five-
23 digit ID Code assigned by the Postal Service plus four additional digits for the mailer's

1 use. For Origin Confirm[®], mailers can use all nine of the remaining digits to identify the
2 mail piece and/or customer (i.e., sender of the reply piece) as they choose. The
3 POSTNET Code on the Origin Confirm[®] mail piece allows the Postal Service to identify
4 the Confirm[®] subscriber. The last (12th) digit of the PLANET Code is always a check-
5 sum digit that helps the mail processing equipment detect errors. The Postal Service
6 has recently tested expanding the allowable number of digits in a PLANET Code from
7 12 to 14.

8 A Confirm[®] data record is generated each time the PLANET Coded mail piece is
9 run on certain Postal Service automated mail processing equipment. Each data record
10 consists of Facility ID, Operation Number, processing date, processing time, numeric
11 value of the POSTNET Code, and numeric value of the PLANET Code. The records
12 are compiled into a comma-delimited flat file format that is standard for importing into
13 common database software. The Postal Service, at the mailer's discretion, delivers the
14 file automatically to the mailer via File Transfer Protocol (FTP) at times designated by
15 the mailer or to the Confirm[®] web site where mailers can view and download the data
16 file at their convenience. Data remain available on the web site for 15 days. The Postal
17 Service provides dedicated customer support to facilitate mailers in the application
18 process and to resolve data and technical issues they may encounter.

19 Starting October 1, 2001, the Postal Service began requiring mailers to submit
20 Advanced Shipping Notice (ASN) prior to or at the time of their Destination Confirm[®]
21 mailings. This new feature will enable the Postal Service to generate performance
22 measurement and troubleshooting information. ASN data include specific mailer
23 generated information about mailings, such as drop location, drop date, and volume that

1 the Postal Service can link to Confirm[®] scan data to measure mail processing
2 performance. The Postal Service will be able to use the Confirm[®] system to assess the
3 length of time it takes to process and deliver the mail once the Postal Service has
4 accepted the mailing. The mailer will use a Postal Service-prescribed format to submit
5 ASN data electronically. The data will be supplied for every Confirm[®] mailing in order for
6 the Postal Service to gather information about the performance of the Confirm[®] service
7 and performance for the mail tracked by Confirm[®]. In addition to providing ASN, the
8 mailer will also be required to print an ASN (Shipment ID) Barcode on documentation
9 accompanying the mailing. The Postal Service mail acceptance personnel will scan the
10 barcode, using the Delivery Confirmation hand-held scanners when they accept the
11 mail. This will allow the Confirm[®] system to “start the clock” on measuring processing
12 time for this mail. The ASN Barcode is an USS Code 128 barcode similar to the Postal
13 Service Delivery Confirmation code

14

15 **III. STEPS FOR USING CONFIRM[®]**

16 To participate in the program, customers complete and submit an on-line or
17 hardcopy application form. Once processed, the Postal Service acknowledges receipt
18 of the application and assigns the customer an ID Code. For Destination Confirm[®], the
19 Postal Service assigns an ID Code for each account that customers will incorporate into
20 their PLANET Codes. For Origin Confirm[®], the customers provide the Postal Service
21 with the POSTNET Code(s) that they will print on their PLANET Coded reply mail
22 pieces. Customers then produce and submit sample mail pieces to the Postal Service
23 to verify their capability of generating compliant PLANET Codes. Customers also

1 submit samples of the ASN Barcode that will be scanned when the Postal Service
2 accepts the mail. After approving the mail pieces and barcodes, the Postal Service
3 configures the Confirm® account so that the mailer can begin receiving Confirm® data
4 files – either via the web site or FTP – after a mailing takes place.

5 The Postal Service provides dedicated customer support to assist mailers in the
6 application process and resolve technical issues they may encounter.

7 To prepare a Confirm® mailing, customers decide what information should be
8 contained in a PLANET Code so that mail pieces may be identified from scan Confirm®
9 data. Next, they print PLANET Codes containing this information on the mail pieces to
10 be tracked. In addition, customers prepare the Advanced Shipping Notice (ASN) file
11 that contains information about the entire mailing. The customer submits an ASN file to
12 the Postal Service either in advance or at the time the mail is entered. Customers also
13 must print a Shipment ID Barcode that accompanies the mailing. The code is affixed to
14 one of the following types of forms, depending on the way the mail is dropped: Form
15 8125 or 8125C for Plant Verified Drop Shipment (PVDS) mail; or Form 3152A for non-
16 PVDS mail. Postal Service personnel scan the ASN Barcode at the time of mail
17 acceptance, and the customer receives notification of when and where the Postal
18 Service has taken possession of the mail. Finally, as mail pieces are processed
19 individually, the customer starts to receive Confirm® mail tracking data. The customer
20 decides how to best integrate these data into its business processes.

21

1 **IV. GOALS OF CONFIRM®**

2 A. Program Goals

3 The goal of Confirm® is two-fold. First, the service helps mailers manage their
4 businesses better and enhances relationships with their customers. Secondly, the
5 Postal Service obtains information that may be used to enhance operational efficiency.

6 The Postal Service objectives for Confirm® are:

- 7 1) To meet the changing business needs of commercial mailers.
- 8 2) To provided mailers “real-time” knowledge about where their mail is in the
9 mail stream.
- 10 3) To use Confirm® as a valuable information source for improving Postal
11 efficiencies and performance.

12 By achieving these objectives, the Postal Service is enhancing the retention and
13 growth of the core business.

14 B. Operational Goals

15 The Operational Goals of Confirm® are:

- 16 • To develop and maintain an information system as described in the Product
17 Description;
- 18 • To maintain field infrastructure and function that continually and properly
19 capture PLANET Codes and ASN Barcodes at all locations designated to do
20 so;
- 21 • To use Confirm® to collect data that are of value to the Postal Service in
22 helping to assess and improve overall performance.

- 1 • To use Confirm[®] internally to test and improve the process flow of the mail.
2 For example, a plant may use Confirm[®] to “seed” mailings and identify
3 bottlenecks in processing.
4

5 **V. IMPLEMENTATION**

6 The Confirm[®] service has been developed and implemented in three basic
7 stages: Initial Concept Development, Pilot Program, and Production System Launch.

8 A. Initial Concept Development

9 Confirm[®] was conceived in 1995 as a means to provide mailers tracking
10 information on First-Class Mail and Standard Mail pieces. Postal Service Management
11 decided that the Confirm[®] service should be built around PLANET Code technology
12 which had already been developed by Postal Service Engineering as a feasible
13 approach to generating mail tracking information. This technology was chosen
14 because: (1) the technology already existed and did not have to be developed “from
15 scratch”; and (2) PLANET Code is a two-state barcode similar to POSTNET Code,
16 making it relatively easy to implement and gain acceptance. The Postal Service had
17 previously developed a means to collect and transmit PLANET Code information.
18 Confirm[®] was served by the Postal Service’s Integrated Data System, a network that
19 already collected data from mail processing machines nationwide.

20 B. Pilot Program

21 In 1998, the Postal Service established a pilot program for Confirm[®] that allowed
22 customers to use the service free-of-charge as it was being developed. The Postal
23 Service established a prototype system in Wilkes-Barre, PA to collect Confirm[®] data

1 coming in from major Postal Service facilities and transmit it to Confirm[®] customers via
2 an automated FTP process. Later in 1998, the Postal Service established a prototype
3 web site for customers who wanted the ability to view and download relatively small
4 amounts of data at their convenience. By June 2000, Confirm[®] demand exceeded the
5 capacity of the prototype system. To meet this added and future demand, the Postal
6 Service moved the system to Raleigh, NC and implemented the first major system
7 upgrade. Likewise, the Postal Service expanded customer support at the National
8 Customer Support Center in Memphis in anticipation of Confirm[®]'s growth.

9 C. Production System Launch

10 The Postal Service launched the Confirm[®] Production System on October 1,
11 2001. The Postal Service redesigned the system and moved its operation to Eagan,
12 MN, in order to take advantage of that facility's superior technological capabilities. The
13 new system will enable improvements to Confirm[®], including:

- 14 • Increased data capacity and processing power
- 15 • Near real-time access to Confirm[®] data from the web site
- 16 • Expanded PLANET Code functionality
- 17 • Verification of mail acceptance times
- 18 • Dedicated customer support

19

20 VI. CUSTOMER INTERFACE

21 Confirm[®] customers will interface with the Postal Service via a dedicated
22 customer support center and/or the Confirm[®] web site.

23 A. Customer Support

1 Customers needing assistance with applying for the Confirm[®] program and
2 information about printing and testing barcodes can contact our National Customer
3 Support (NCSC) Center via email or phone. The NCSC is responsible for processing
4 applications, certifying customers mail pieces, and setting customers accounts. NCSC
5 personnel are available to facilitate “getting started” with the service, and to answer
6 questions and help customers with data-related issues. Customers often ask NCSC to
7 help them troubleshoot various system or mail related issues.

8 B. Confirm[®] Web Site

9 Customers can visit the Confirm[®] web site for the following purposes:

- 10 • Viewing or downloading general information or program updates about
11 Confirm[®].
- 12
- 13 • Completing and submitting an application to join the Confirm[®] program.
- 14 • Downloading PLANET Code fonts or reference tools that aid in the use of
15 Confirm[®] (e.g., list of Operation Codes).
- 16
- 17 • E-mailing customer support personnel for assistance.
- 18 • Accessing and downloading Confirm[®] data which will be available on the web
19 site for 15 days.
- 20
- 21 • Creating and submitting Advanced Shipping Notice (ASN) information.
- 22
- 23 • Receiving electronic notices regarding when and where mail was accepted.
- 24

25

26 VII. EFFECT ON MAIL OPERATIONS INFRASTRUCTURE

27 Confirm[®] will have no significant impact on the fundamental way that mail is
28 processed. The Postal Service designed Confirm[®] for “passive” data collection. In
29 other words, the Postal Service collects Confirm[®] data passively from existing mail

1 processing equipment as mail is processed. Confirm[®] requires no additional mail
2 processing. Also, Confirm[®] requires no additional responsibilities by Field Operations
3 personnel, with the following exceptions:

4 1) Field Operations personnel are responsible for maintaining all operational mail
5 processing equipment to properly read and transmit Confirm[®] data at all times.

6 2) Field Operations personnel are responsible for scanning the ASN Barcode when
7 the Postal Service takes possession of a Confirm[®] mailing.

8

9 **VIII. EFFECT ON FIELD MARKETING SUPPORT**

10 With Confirm[®], the Postal Service is responding to business mailers' need for
11 tracking information for First-Class Mail, Standard Mail, and Periodicals. Confirm[®] will
12 have no adverse affect on the traditional needs of postal customers. In fact, Confirm[®]
13 serves as an enhancement to the Postal Service's core business and should positively
14 impact these products. For this reason, Confirm[®] will greatly improve the Marketing
15 Support infrastructure as it currently exists.

16 Confirm[®] will enhance customer relations by providing mailers more useful
17 information and giving Postal Service personnel more tools for conducting diagnostics
18 to improve service.

19

20 **IX. CONCLUSION**

21 Current Confirm[®] customers have made it clear that they want Confirm[®] to
22 enhance their marketing efforts and customer relationships, as well as save money by
23 improving their operational efficiencies. By continuing to offer mailers Confirm[®]

1 generated information, the Postal Service looks to strengthen customer satisfaction with
2 the mail.

3 Confirm[®] constitutes a key step in providing a value-added service through the
4 delivery of information related to our core product, mail. This same information will also
5 be used by the Postal Service as a management tool and facilitate a proactive approach
6 for assessing and correcting mail processing inefficiencies. Confirm[®] represents a
7 definite “win-win” for the Postal Service and its customers.