

A PITNEY BOWES PRESORT SERVICES GUIDE TO INTELLIGENT MAIL BARCODE CHANGES

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PITNEY BOWES PRESORT SERVICES

 **Pitney Bowes**
Every connection is a new opportunity™

November 15, 2012

Agenda

- Upcoming Changes
- Basic vs. Full Service IMb
- Planning for the changes – we can help
- Mail Tracking – IntelliVIEW
- Additional Resources
- Q & A

January 2013 & January 2014

USPS changes: What do they mean for you?

The USPS® has a plan to fully implement the Intelligent Mail® barcode (IM® BC). This transition will occur in two steps:

January 28, 2013: POSTNET™ barcode will be discontinued and will no longer qualify for automation rate discounts. Only Basic and Full-Service IM® BC will apply for discounted rates.

January 2014: Only mail with the Full-Service IM® BC will be eligible for rate discounts. Basic IM® BC can still be utilized, but it will no longer qualify for discounts.

Intelligent Mail® Compliance

Benefits

- Continued automation discounts
- Enabler for increased visibility of mail delivery
- Required for participation in future USPS incentives*

Threats

- January 2013 compliance date
- Electronic documentation will be required by January 2014
- Free tracking is not tied to the business data

ROI

- Lower postage costs
- Ability to participate in future incentives
- Increased visibility of mail delivery

** Requires submission of electronic documentation*

USPS® Vision



- End-to-end visibility
- Seamless process for mail acceptance and delivery
- Standardized Intelligent Mail® barcodes
- Continuous mail tracking
- Real-time mail quality feedback
- Service measurements to position mail as key communications medium for businesses and organizations.

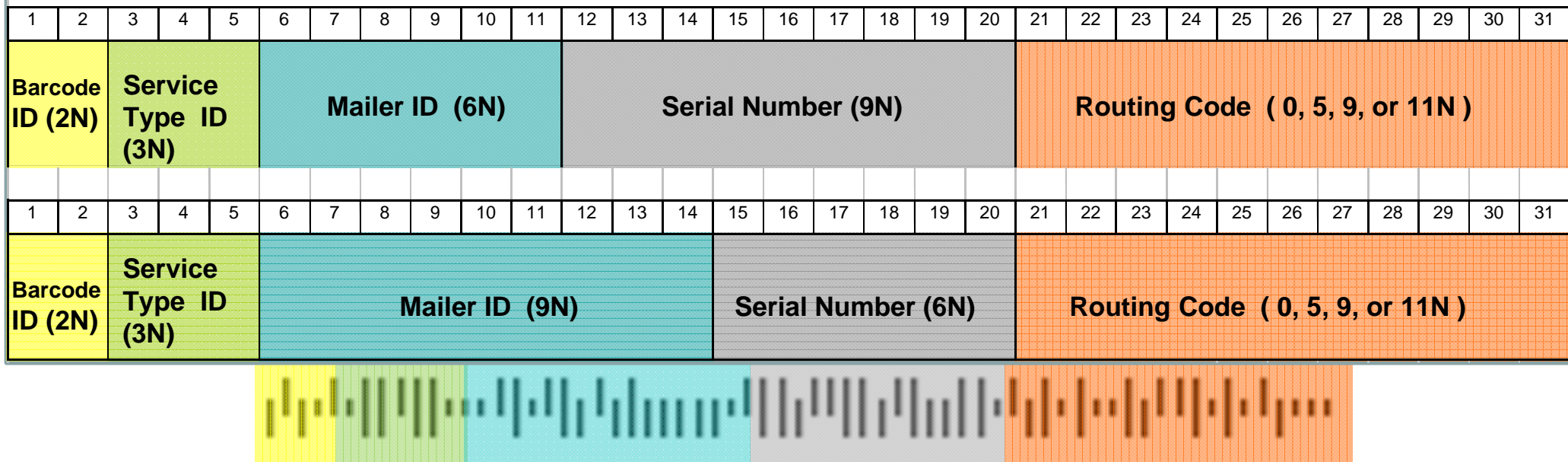
Getting Started

Know the Components, Options, and Process

- Physical Characteristics
- Components & Options
 - Basic vs. Full Service
 - Services
 - Address Correction Service (ACS™) – 3 options
 - Track & Trace
- Process:
 - MID's, CRID's, Business Customer Gateway, TEM, eDoc...
- Important Site:
<https://ribbs.usps.gov/index.cfm?page=intelligentmail>

Barcode Basics

Intelligent Mail Barcode for Letters and Flats: 6-Digit and 9-Digit Mailer IDs

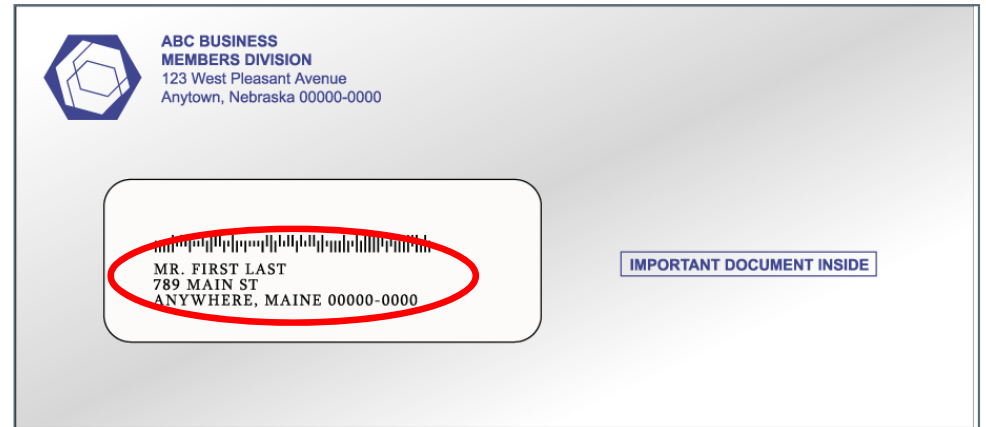


- 65 bars reflecting 31 digits of tracking and routing codes
- Barcode Indicator: 2-digits to define presort level with an optional endorsement line (OEL)
- Services: 3-digit field to identify Confirm[®], ACS[™] services
- Mailer ID (MID): 6 or 9-digit unique mailer
- Unique Serial Number: 6 or 9-digit field used to uniquely identify mailpieces
- Routing Code: 11-digit Delivery Point ZIP Code[™]

Barcode Placement

Letters

- Address block
 - Above or below address
- Lower right corner



Flats

- One barcode permitted
- 1/8" from any edge

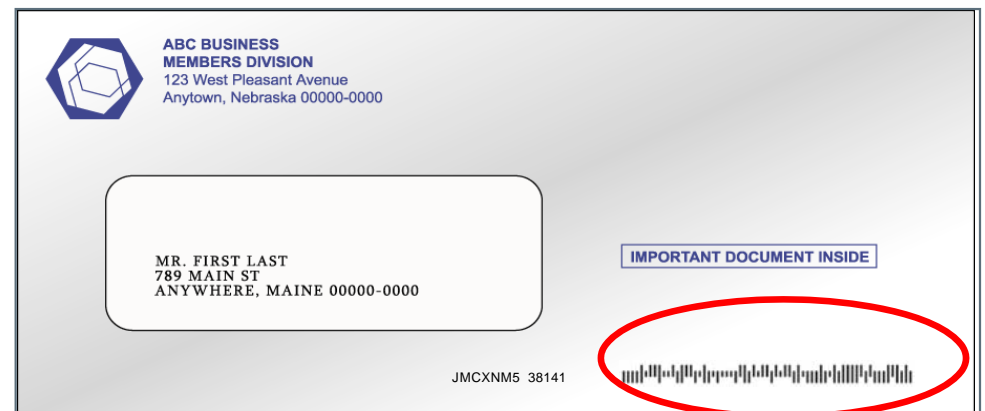


Illustration Source: USPS® IM™BCBasicOption.ppt

Basic vs. Full Service IM® BC

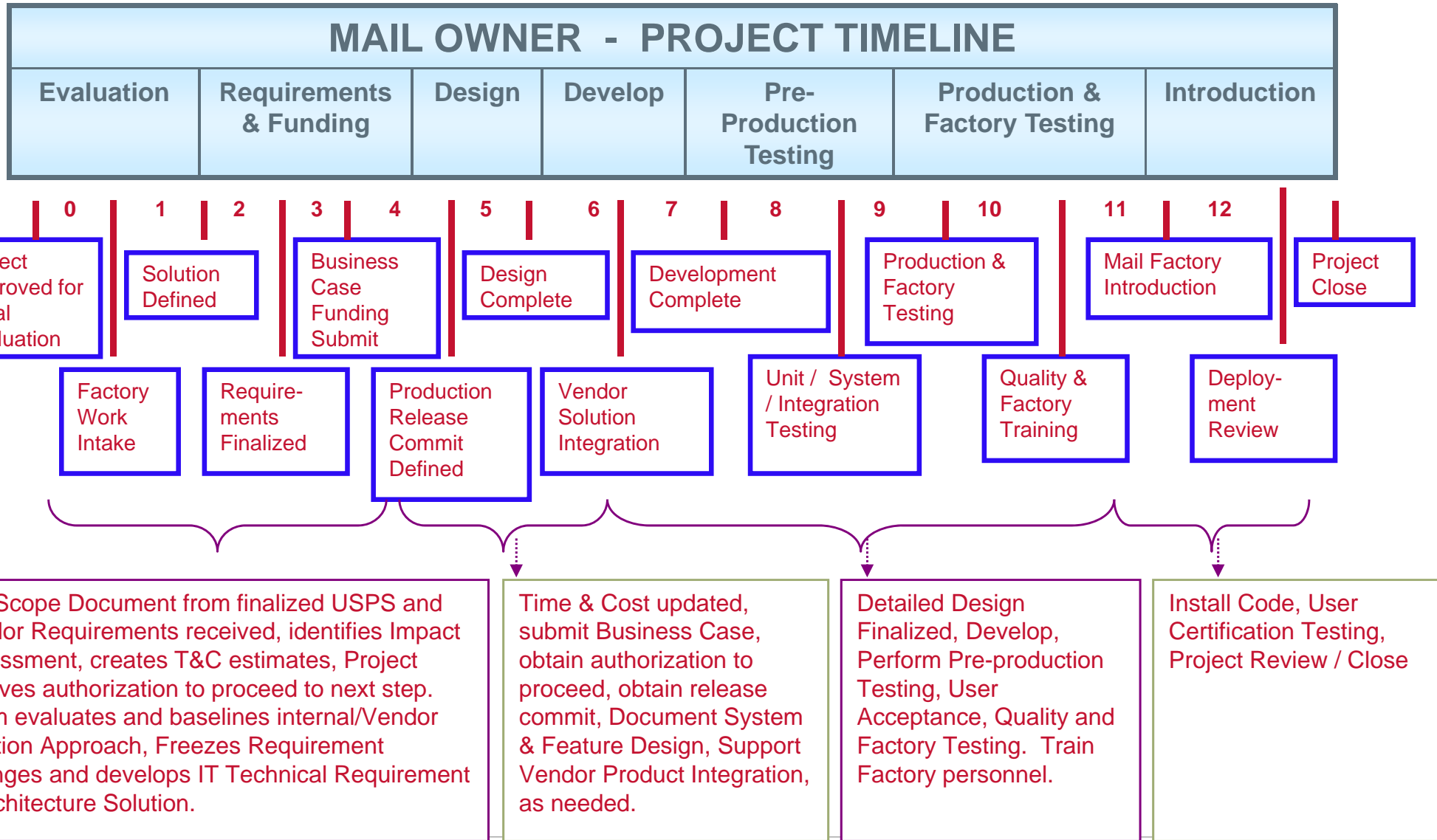
| | Basic | Full |
|---|---------------|---------------|
| • Barcode enables automation-prices for First-Class Mail®, Standard Mail® letters and flats | <u> X </u> | <u> X </u> |
| • Option provides deepest automation price discounts | <u> </u> | <u> X </u> |
| • Barcode includes delivery point information, MID, class of mail, and OEL information | <u> X </u> | <u> X </u> |
| • Option requires unique ID's (unique for 45 days) for each mail piece, tray, and container | <u> </u> | <u> X </u> |
| • Option requires appointments through FAST® | <u> </u> | <u> X </u> |
| • Option requires electronic method to transmit a postage statement and mailing documentation | <u> </u> | <u> X </u> |
| • Option provides free start-the clock information | <u> </u> | <u> X </u> |
| • Option provides free automated address correction notices | <u> </u> | <u> X </u> |
| • Option provides ACS™ service at current prices | <u> X </u> | <u> </u> |

Full Service IM® BC Implementation

- Many mailers have their IT roadmap set many months in advance. This effort might displace key projects more revenue or cost-savings when compared with compliance by using a presort service provider
- The project will also require additional resources (e.g.: Project Management, Programmers, Mail Experts, etc.)
- Often, the USPS discount (\$.003 discount for First Class or \$.001 for Standard Class) does not support the full implementation investment:
 - Software/Hardware purchase and integration
 - Internal IT Development for each data stream

Full Service IM[®]BC Project Timeline Example

Source: MAILCOM



Maintenance & Support Considerations

- USPS has four releases each year for PostalOne! Software (2 major / 2 minor). Requires ongoing support and management.
- Mailers presenting mail to the USPS to qualify for incentive pricing programs or for Full Service IM® BC discounts must use eDoc.
- Continual upgrades to hardware and software needed
- CSA (Network Consolidations, changes)
- FAST Appointments
- Reports changes
- Data feedback changes



Maintenance & Support: Our Experience

- June 2006: Started process to write code for eDocumentation
- November 2009: First Full Service Mailing with eDocumentation
- 3 major re-writes
- 2 CSA modifications
- 2 tray labels format changes
- 1 placard format change
- 6 mdr's versions (upload client)
- Incentives (i.E. Qrb's, volume)

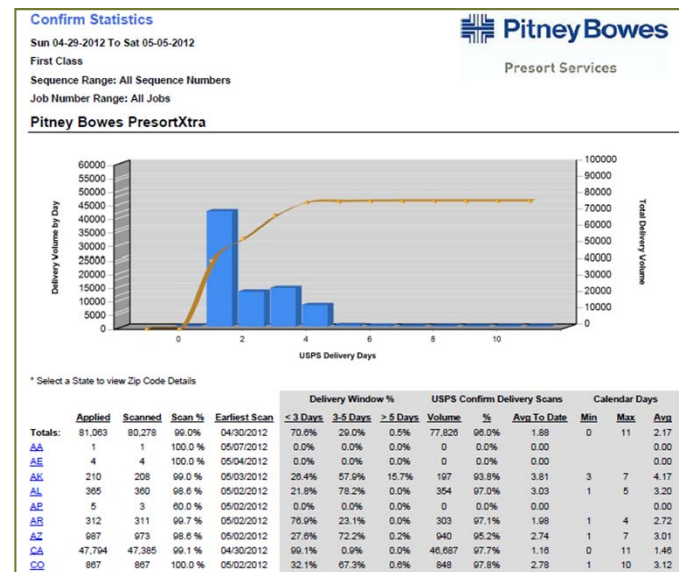
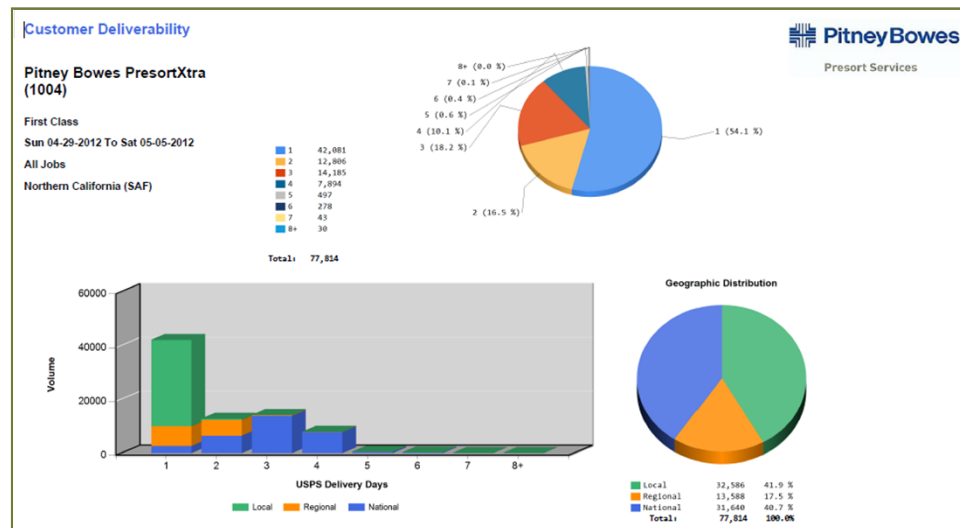
PBPS Makes It Easy

- To date, PBPS has invested over \$20M in Intelligent Mail® technologies and infrastructure. We handle over 40M pieces per day (98% are Full Service)
- PBPS clients can, without capital investments, become Full Service compliant and differentiate themselves with capabilities that provide transparency, tracking and delivery validation
- IntelliVIEW™: online mail tracking and business optimization solution that offers greater mailstream visibility:
 - Secure website provides ability to track mail piece from first PBPS processing scan through last USPS scan
 - View or download IM® BC tracing data for individual mail pieces, analyze geographic delivery times as well as verify proof of induction into USPS

IntelliVIEW™

- Provides visibility when mail leaves our customer. In essence, we become an extension of their operation:

- PBPS first scan data
- Proof of Induction
- Captures USPS start the clock
- IMb tracing scans track mail through postal system
- Improve business processes: mitigate risk, reduce fraud & maintain compliance



Additional Resources

Pitney Bowes

- For more on the Intelligent Mail® barcode download “Unleashing the Power of the Intelligent Mail Barcode”:
<http://www.pb.com/MailServices/News-and-Resources/Webinars.shtml>

USPS - RIBBS

- <https://ribbs.usps.gov/index.cfm?page=intellmailpresentations>

The screenshot shows the USPS RIBBS National Customer Support Center website. The header includes the USPS logo and the text "RIBBS National Customer Support Center". A navigation menu at the top right includes links for Home, Site Index A-Z, Site Index by Topic, Locators/ Lookups, and Contact Us. The main content area is titled "Intelligent Mail Education" and lists several resources:

- POSTNET™ Retirement**: A Plan for Every Mailer (PDF)
- Intelligent Mail Education**: PostalOne! Release 31 Mailer Presentation (June 2012) (PDF), NPF Seasoned Users Presentation (PDF), Transitioning to IMb (March 2012) (PPT), IMb Fact Sheet (PDF), Mailing Data Quality Reports Training Updates (PDF), How to Work with Your Mail Preparer (PPT), IMb Initial Steps for Mailers (PPT), CRIDs and MIDs (PDF), Business Customer Gateway (PDF), IMb Services: Service Type Identifiers (STIDs) (PDF)
- Videos**: USPS Intelligent Mail Barcode (MMV/38MB), USPS Intelligent Mail and Seamless Acceptance (MMV/55MB)
- Intelligent Mail Move Update DVD**: Move Update (MMV/89MB), Intelligent Mail Barcode Implementation (MMV/139MB), Service Standards (MMV/37MB)

A right-hand sidebar titled "IMPORTANT UPDATES" contains the following information:

- POSTNET Barcode Discontinuation Proposed**: On Thursday, May 3, the POSTNET™ Barcode Discontinuation final rule was posted on the Federal Register website and it is posted on the Postal Explorer® website under Federal Register Notices. The final rule, which takes into consideration comments received from the mailing community, discontinues automation price eligibility based on the use of POSTNET™ barcodes on all types of mail. The implementation date is January 28, 2013.
- An update to the May 3 Federal Register was published on June 6 and will be posted on the Postal Explorer® website under Federal Register Notices.
- An Advance Notice of Proposed Rulemaking to encourage Full-Service Intelligent Mail barcode (IMb) adoption by making it a requirement for automation rates, beginning in January 2014, was published in the April 20, 2012 Federal Register.

The sidebar also includes a link to "Printable View" and a note: "The Federal Register notice provides advance information to help mailers prepare and plan for the transition to Full-Service use of unique Intelligent Mail barcodes applied to letters, postcards, flats, trays, sacks, and containers such as pallets and submission of electronic mailing documentation."

Questions and Answers

Pitney Bowes can assist you in complying with and gaining the most savings from the new IM[®] BC rules.

For more information:

- Website: www.pb.com/mailservices
- Email: mailservices@pb.com

If you have additional questions, please reach out to your Presort Services Customer Service Representative

THANK YOU.

