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# 1 Background and Purpose

Remittance mail is the largest single segment of First-Class Mail and is a vital component of our business — it annually produces approximately 55 billion mailpieces with revenue exceeding \$17 billion. This mail is comprised of bills, statements, and payments, the majority of which use pre-barcoded courtesy reply envelopes with facing identification marks (FIMs). As a result, this mail is highly automation-compatible.

Financial institutions, credit card companies, retailers, and consumers all have an interest in the service level we provide remittance mail. Many business remittance customers look for a competitive advantage through more timely and cost-effective delivery, and this search makes remittance mail susceptible to electronic migration. However, by aggressively pursuing improvements in overnight, 2-day, and 3-day service performance, the Postal Service can remain a viable and even the preferred provider of remittance mail service.

The Postal Service recognizes two categories of remittance mail:

- Retail remittance is composed primarily of household-to-business product orders and payments. These transactions often recur monthly and are characterized by the use of pre-barcoded FIM envelopes.
- b. Wholesale remittance is composed of business-to-business payments.
   Although wholesale mail is only a small segment of overall remittance volume, these transactions generally have greater monetary value.
   Characteristically, this mail is not pre-barcoded and is not in FIM envelopes.

Our customers' business success, as well as our own, depends on our ability to provide accurate, consistent, and timely delivery. From a remittance customer's viewpoint, advancing this mail by a single hour may be the difference between success and failure. Because the remittance mail market is so time-sensitive, we have the opportunity to satisfy customer needs and thereby remain a valued provider and an important part in their success. However, failing to respond to these needs can endanger our business relationship with our remittance customers and may inadvertently encourage alternatives to remittance mail such as electronic billing and payment.

If we are to retain our share of the remittance mail market, individually we must commit to service excellence, and as an organization we must develop effective teamwork across functional lines — from collection through to delivery. Improving remittance mail performance relies on both origin plants and destination plants — origin plants must capture, segregate, and identify

remittance mail, and destination plants must quickly identify remittance mail, provide any further processing (if required), and deliver the mail to the addressee.

This document describes a series of observed best practices that can be used to help plants achieve the levels of quality and consistency demanded and deserved by the remittance mail industry. It also includes checklists that will help identify operational areas of opportunities that will improve service performance for remittance customers (see Appendix A). Postal Service facilities are required to compare their current operations to the best practices described in this handbook and to develop a standard operating plan (SOP) to incorporate these best practices. This will better position the Postal Service to preserve its share of the remittance mail market.

# **2** Origin Operations

# 2-1 Advanced Facer Canceler System (AFCS)

Stamped FIM mail represents approximately 30% of all canceled volume — more than 900 million pieces per accounting period (A/P). In the 010 operation (originating mail preparation activities), the Advanced Facer Canceler System (AFCS) should have two stackers assigned to the collection of FIM A, FIM B, and FIM C mailpieces. Operators and maintenance personnel must regularly monitor the AFCS to ensure the highest possible capture rate.

## 2-2 FIM Processing

In order to improve remittance mail service, origin FIM processing must do the following:

- a. Provide the maximum possible number of outgoing separations.
- b. Provide separations that bypass as many operations as possible at destination.
- c. Preserve remittance mail identity.

# 2-3 891 FIM Sort Program — Delivery Barcode Sorter (DBCS)

#### 2-3.1 Overview

FIM mail is processed on a delivery barcode sorter (DBCS) to take advantage of the increased number of possible separations. The 891 FIM Sort Program must provide separations according to the following priority:

- a. National FIM Preferred Labeling List.
- b. The 32 automated area distribution centers (AADCs) with the highest national concentration of remittance volume.
- c. Remaining AADCs as warranted by volume.

In-plant personnel perform an 891 FIM Sort Program bin density analysis to identify and prioritize the last three separations listed above. Appendix B provides instructions to perform a Density Analysis System (DAS) for the ElectronCom Automation (ECA) DBCS.

### 2-3.2 National FIM Preferred Labeling List

The first density-based priority is given to the National FIM Preferred Labeling List, which includes companies that are likely to have significant volume at many origins throughout large areas of the country. Each plant is expected to review the National FIM Preferred Labeling List and use density analysis to determine how many of these firms receive an average daily volume (ADV) of at least 250 mailpieces. Origin plants then establish holdouts for these qualifying firms on the 891 FIM Sort Program.

The National FIM Preferred Labeling List contains the following:

- Firm direct holdouts: mail sorted to a single customer with no further USPS sortation required. Generally, firm direct holdouts capture a single 9-digit ZIP Code, a range of 9-digit ZIP Codes, or a unique 5-digit ZIP Code.
- b. Firm holdouts: mail sorted to a single customer that requires further sortation before it can be tendered to the customer. Generally, firm holdouts capture a range of 9-digit ZIP Codes or one or more unique 5-digit ZIP Codes.
- c. Box Section holdouts: mail sorted to a number of firms that, when combined, have a significant volume that can impact the processing facility. Box section holdouts generally capture one or more 5-digit ZIP Codes.

As a matter of simplification, this handbook will refer to all National FIM Preferred Labeling List holdouts as "firm directs."

Origin plants must label all firm direct entries per the instruction given for firm direct mail in Exhibits 2-4a and b. Separating firm directs at origin plants reduces handling time at the destination plant and offers a strong opportunity for service improvement by providing the customer an improved mail availability profile — particularly as it relates to bank deposit times.

Destination plants must quickly identify firm direct mail at the opening unit and immediately divert the mail to the appropriate delivery point or operation/sort program.

Origin Operations 2-3.3

# 2-3.3 The 32 AADCs With the Highest Remittance Volume

The second density-based priority is given to the 32 AADCs with the highest national concentration of remittance volume. As of January 2000, the top 32 AADCs were the following:

AADC Central MA 015
AADC Boston MA 021
AADC Hartford CT 060
GPO New York NY Hub 101
Bitteburgh PA 152

Pittsburgh PA 152

AADC Philadelphia PA 191
AADC Wilmington DE 197 (1)
AADC Baltimore MD 212
AADC Richmond VA 230
AADC Charlotte NC 280 (2)

AADC Atlanta-FIRMS GA 30353

AADC Macon GA 310 AADC Orlando FL 328 AADC Louisville KY 400 Columbus OH 432

Cincinnati OH 452

AADC Des Moines IA 503
AADC St. Paul MN 550
Minneapolis MN 554
AADC Palatine IL 600
AADC Carol Stream IL 601

AADC Chicago FIRMS IL 60676

St. Louis MO 631 Kansas City MO 641 AADC Dallas TX 752 AADC Houston TX 770

Denver CO 802

AADC Phoenix AZ 852 AADC Las Vegas NV 800 AADC Los Angeles CA 900 AADC Pasadena CA 910 AADC Sacramento CA 956

- (1) Also, Wilmington P&DC has requested all originating plants to consider all the direct holdouts listed on the National FIM Preferred Labeling List as additional direct holdouts, prior to making the AADC Wilmington DE 197.
- (2) Charlotte P&DC has requested all originating plants to first consider Charlotte NC 28201 holdout (if volume warrants) on the FIM program by combining the following remittance 5-digit unique ZIP Codes into one bin:

28201, 28242, 28243, 28253, 28255, 28258, 28260, 28261, 28265, 28272, 28275, 28288, 28289, 28290, and 28296.

Label the tray: CHARLOTTE NC 28201

FIM MIXED FIRMS

**CIN 174** 

If volume warrants the AADC holdout, include it also on the sort plan.

In the event that a bin density analysis reveals that any of the above AADCs does not meet the targeted ADV of 250 mailpieces, the manager of In-Plant Support must submit a written request to the area manager of In-Plant Support to exclude the low-volume AADC. If the area manager approves the

request, he or she must send a written approval to the requesting manager and also send copies of the request and approval to the following address:

MANAGER, PROCESSING AND DISTRIBUTION CENTERS OPERATIONS UNITED STATES POSTAL SERVICE 475 L'ENFANT PLZ SW RM 7631 WASHINGTON DC 20260-2814

In order to preserve the remittance identity of 891 FIM AADC holdouts, tray labels must have "FIM MIXED FIRMS" appearing on the contents line. "FIM MIXED FIRMS" text is obtained by inserting Content Identification Number (CIN) 174 into any USPS labeling system (SPS, Passport, or 1578-B LPC order).

### 2-3.4 Remaining AADCs As Warranted By Volume

The third density-based priority is given to the remaining AADCs with the highest remittance volume. Backfill unassigned bins with remaining AADCs based on volume density.

Note: When using multiple DBCS FIM processing, a plant must apply the 250-piece threshold to its total FIM average daily volume — plants must not apply the threshold on a per-machine basis. If the 891 FIM Sort Program is run on more than one DBCS, in-plant personnel can develop schemes to complement one another, essentially causing each low-volume sort to be finalized on a single machine. To accomplish this, each machine is programmed to "jackpot" (i.e., combine) a different group (or groups) of low-volume destinations into a single bin. The "jackpot" volume is then cross-flowed to a designated and complementary DBCS for AADC/firm-direct finalization.

In order to preserve the remittance identity of 891 FIM AADC holdouts, tray labels must have "FIM MIXED FIRMS" appearing on the contents line. "FIM MIXED FIRMS" text is obtained by using Content Identification Number (CIN) 174.

**Reminder:** To provide the customer an improved mail availability profile, the destination plant must separate AADC remittance trays from non-remittance managed mail at the opening unit and immediately divert remittance trays to a dedicated financial scheme.

## 2-4 Labeling Remittance Volumes

Labels convey the mail's destination, class, shape, and sort and barcode status in both text and barcode form. Labels must be sufficient for both manual sortation (human-readable text) and sortation by tray management and robotic systems (barcoded data). Essentially, accurate labeling (whether remittance or non-remittance volume) enables the destination plant to capture and utilize the work content (sort level) provided by the origin office.

The label fields necessary to accomplish this are listed in Exhibit 2-4a and shown in the examples in Exhibits 2-4b and 2-4c.

Origin Operations 2-4

Exhibit 2-4a **Label Fields for Sort Levels** 

	On John Eastern Eastern (T. 10.1)
Destination	City and State or Facility Name and State (Text Only).
	ZIP Code (text and barcode positions 1 through 5).
	Firm Directs — the destination line is taken directly from the FIM Preferred Labeling List.
	For AADC FIM Mixed Firms holdouts, the tray label
	destination line is taken from the Area Logistic Directory AADC Labeling List. It is identical to that used with managed mail.
Contents	The contents label line uses standardized text associated with a Contents Identification Number (CIN). The CIN text describes mail class, shape, and sort and barcode status. For example, CIN 245 (FCM LTRS AADC BC) is used to describe trays containing barcoded First-Class Mail letters sorted to an AADC level. The CIN number occupies barcode positions 6 through 8.
	FIRM Direct is identified by CIN 167, which is unusual in that its standard default text (FCM LTRS FIRM DRX BC) must be "overwritten" with the second line information — generally, the firm's name — given on the National FIM Preferred Labeling List.
	AADC FIM Mixed Firms holdouts are identified by CIN 174. The associated second line text is "FIM MIXED FIRMS." At the destination plant, this mail will bypass the managed mail primary operation and will go to a dedicated financial scheme.
Delivery Day	The delivery day is the day the mail is scheduled to be delivered to the customer. It is used on USPS-produced FCM labels only and is printed on the bottom center of the label. The delivery day is coded as shown below and appears in the ninth position of the barcode.  1: Monday 4: Thursday 2: Tuesday 5: Friday 3: Wednesday 6: Saturday
Mail Processing Code	The mail processing code (MPC) is the tenth and final barcode digit. FIM Firm holdout volumes should be assigned an MPC value of "1," which means the mail is automation-compatible, can be dispatched, and may be weighed for first handling piece (FHP) purposes at the destination plant.

Exhibit 2-4b

#### **Example of National FIM Preferred Label List**

NASS CODE	LABEL TO:	ZIP CODES
076	HACKENSACK NJ 07606	07606-8001
	CITIBANK 8001	

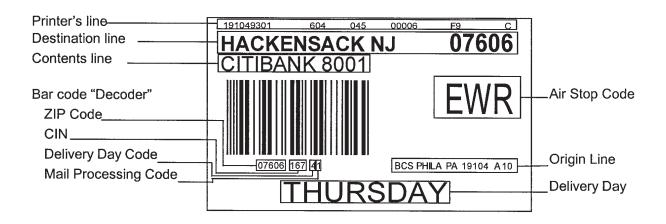


Exhibit 2-4c

#### **Example of FIM Mixed Tray Label**

NASS CODE	LABEL TO:	ZIP CODES
TPA	AADC TAMPA FL 335	335, 337–339, 341 342, 346



Origin Operations 2-5.2

## 2-5 Wholesale Remittance Mail Outgoing Operations

#### 2-5.1 Overview

Up to this point, we primarily have been discussing retail remittance mail (FIM and pre-barcoded) — i.e., mail comprised largely of household-to-business transactions. However, the other category of remittance mail is wholesale remittance mail — this category, which is also called "white mail" by the industry, consists of business-to-business transactions. Many remittance customers consider wholesale remittance mail more important than retail remittance mail because the enclosed checks generally have a higher value and a greater "float" (i.e., the amount of interest associated with the transaction).

Envelopes for wholesale remittance mail generally have a plain appearance and do not carry a FIM. The absence of a FIM requires that we take special steps to capture and place this mail in the remittance mailstream to better consolidate remittance mail and improve efficiency opportunities. Use the guidelines and procedures discussed below to capture and introduce wholesale remittance mail into the FIM mailstream at origin.

### 2-5.2 National Firm Holdout (NFH) Plan

The National Firm Holdout (NFH) plan was developed to capture wholesale remittance mail as well as some FIM mail that might have leaked from the AFCS. This plan requires that a single NFH bin be assigned on the following pieces of equipment:

- a. Input subsystem (ISS).
- b. Output subsystem (OSS).
- c. Low-cost optical character reader (OCR).

The NFH bin is programmed to capture specific ZIP Codes assigned to designated wholesale and retail remittance customers. Captured NFH volume is backflowed to the 891 FIM Sort Program, where it is sorted as per sections 2-2 and 2-3. All NFH mail must be cleared prior to the 891 FIM Sort Program's clearance time.

Do *not* program into the NFH bin ZIP Codes that are not sorted to a dispatch level on the 891 FIM Sort Program.

To implement the NFH plan, plants should contact the area manager of In-Plant Support for the list of 5-digit and 9-digit ZIP Codes targeted by this effort. Headquarters maintains the list on the corporate intranet at <a href="http://blue.usps.gov">http://blue.usps.gov</a> (click on "Headquarters," then "Processing Operations," then "Processing & Distribution," and then "National Firm Holdout List," which can be viewed as either an html file or an Excel file).

### 2-5.3 Post Offices

Post offices that cancel mail on behalf of their plant should separate canceled FIM mail from the rest of the collection mail prior to dispatch. This allows the plant to bypass the ISS/OSS operations and route additional volume to the 891 FIM Sort Program.

#### 2-5.4 Transportation

The final processing step for origin plants is to move the mail from the 891 FIM Sort Program to transportation. Continuous dispatching allows the mail to be placed on the first bank of flights or, if surface transportation is used, possibly on an earlier trip.

When origin plants implement best practices, destination plants benefit from improved mail availability and reduced handling. Customers benefit by having a higher percentage of their volume available to them earlier in the day.

## 2-6 Destination Operations

### 2-6.1 Identifying Remittance Mail

Remittance mail arrives at destination plants with the managed mail in trays labeled as follows:

- a. FIRM DIRECTS
- b. FIM MIXED FIRMS (AADC sorts)

The destination plant should identify and act upon this separation as early as possible to provide the greatest benefit to operations and customers. The opening unit has the best opportunity to improve remittance mail service by effectively routing remittance mail trays to avoid unnecessary handling. Opening unit employees must refer to the contents line on the tray label to identify "FIRM DIRECTS" and "FIM MIXED FIRMS" trays. Opening unit employees must route FIRM DIRECT trays to the caller/box section/sort program or to the required transportation, and they must route FIM MIXED FIRMS trays to the financial scheme.

#### 2-6.2 Financial Scheme

The financial scheme is a plant-specific incoming First-Class Mail sort program designed to advance remittance mail to the caller/box section for customer pick-up for as many customers as possible in one pass. By utilizing this plan, plants can provide earlier availability and pick-up times for remittance customers.

Origin Operations 2-7

To create a financial scheme, the local operations support specialist (OSS) and directory analyst specialist must know the following:

- a. Mail density.
- b. Customer requirements, including customer ZIP Code ranges that can be tendered as a unit.

With this knowledge, they developed a financial scheme using the following tools:

- a. Density analysis report.
- b. Customer needs analysis.
- c. Caller/box section applications.
- d. National Preferred FIM Labeling List.
- e. National firm holdout (NFH) bin 5-digit and 9-digit ZIP Code list.
- f. 893 Sort Program (managed mail program).
- g. 897 Sort Program (box program).
- h. ZIP+4 look-up system (available on CD ROM).

Plants must review 893 (DBCS incoming primary) and 897 (DBCS box section) Sort Programs to identify high-volume remittance customers. These holdouts will be part of the financial sort plan. Also, plants must complete a density analysis simulation (DAS) in order to determine additional holdouts to add to the financial scheme program to accommodate the AADC sort level.

## 2-7 Caller/Box Section

Making the mail available for customer pick-up at the caller/box section is the last operation in the remittance mail process. Plants must staff the caller/box section according to customer pick-up schedules and mail arrival. Local verification of tray contents agreements must not delay mail availability. As mail arrives from the financial scheme operation, it must be promptly and continuously distributed — i.e., cased, "boxed," or staged for caller pick-up.

Advancing managed mail from the opening unit through the incoming managed mail program (MMP) sortation, coupled with continuous operation of the financial scheme, will allow plants to provide their customers a higher percentage of their mail earlier in the day.

# **3** Performance Measurement

## 3-1 "Tail of the Mail"

#### 3-1.1 Overview

"Tail of the Mail" is a term generally used to describe excessively delayed mail. Eliminating "Tail of the Mail" is one way the Postal Service can meet its commitment to deliver on-time every time.

Three major factors contributing to "Tail of the Mail" are incorrect barcodes, poor equipment maintenance, and mishandling of mail trays.

#### 3-1.2 Incorrect Barcodes

For a number of reasons, mailpieces may inadvertently be given an incorrect barcode. The Postal Service must perform quality checks (e.g., stacker verification) to identify and resolve errors. When customer errors are discovered, a Postal Service representative must promptly contact the customer to explain the discrepancy and its affect on their mail.

If possible, also obtain from the customer an estimate of when the discrepancy will be corrected and/or a commitment from the customer to notify the Postal Service representative when it is corrected. Meantime, In-Plant Support can trap and isolate the incorrect bar code in the sort program(s) to reroute the mail and prevent manual rehandlings of missent mail.

## **3-1.3 Equipment Maintenance**

Engineering/maintenance personnel must perform regularly scheduled preventive maintenance according to current maintenance guidelines. Operating personnel must perform stacker verification and must immediately report irregularities to maintenance personnel to further assist in reducing equipment-related irregularities.

Performance Measurement 3-2.2

### 3-1.4 Mishandling of Mail Trays

The proper placement of placards and handling of mail trays will ensure accuracy of distribution. Each day supervisors should check trays placed in containers that have placards for dispatching. In-Plant Support should periodically verify the accuracy of visual aids (placards, labels, or other distribution guides).

## 3-2 Rehandling of Mail Best Practices

#### 3-2.1 Overview

One way to help eliminate "Tail of the Mail" is to use Handbook PO-441, Rehandling of Mail Best Practices, to reduce loop mail. Loop mail is incorrectly barcoded and/or ZIP Coded mail discovered at a destination plant for which it is not addressed. This mail has the potential to "loop" back to the same incorrect destination if it is not removed from the automation mailstream and correctly distributed manually. The following are other examples of loop mail:

- a. Return-to-sender (RTS) mail.
- b. Mail with a barcode sorter (BCS) output subsystem (OSS) "Old ID-Tag."
- c. Nixie mail.

Handbook PO-441 defines the procedures for identifying, isolating, and handling loop mail. It is accessible on the corporate intranet at <a href="http://blue.usps.gov">http://blue.usps.gov</a> (click on "Information," then "Policies & Procedures," then "Handbooks," and then scroll down to Handbook PO-441). Post Offices, stations, branches, and plants must develop and implement a Rehandling of Mail Best Practices program according to the guidelines of Handbook PO-441. Loop Mail processing policy dictates that loop mail be distributed manually to preclude further errors. The remittance industry's need for rapid service makes it imperative that plant personnel follow the proper maintenance and operational procedures so that remittance mail is not allowed to become loop mail.

#### 3-2.2 Missort and Missent Mail

Identifying and segregating missort and missent mail is the most important procedure in the Rehandling of Mail Best Practices program.

a. Missort mail is mail that was incorrectly sorted either by automation equipment, mechanized equipment, or manual distributors. Missort mail occurs primarily due to an incorrect barcode as a result of mechanical or software failures in postal or mailer sortation equipment or due to erroneous sort program development.

b. Missent mail refers to mailpieces, trays, tubs, containers, etc., sent to the wrong destination office or unit. When personnel discover missent mail, they must either return it to the serving plant for redistribution or, if possible, transfer it directly to the correct delivery office in order to minimize delays in service.

#### 3-2.3 Zippered Bag Program

Even with quality checks, verifications, riffling, and best-practice procedures in place, mail might inadvertently be missorted or missent. An effective method to address this problem is the zippered bag program — a cooperative effort between the Postal Service and major remittance customers. The Postal Service issues special zippered bags to customers, and when they discover missort or missent mail, they use the bag to return the mail to the plant.

#### 3-2.3.1 Preparation

Each plant is responsible for procuring the bags and monitoring the operation of the program. The bags can be ordered locally and should be zippered, brightly colored, individually numbered, and sized to accommodate a customer's expected volume.

For each bag, prepare and insert a reversible address label with the plant's name and address on one side and the customer's name and address on the other. Place numbers on the bag to identify the bag "owner" in case it is returned without a label. When issuing bags, create a control log with the customer's name and the bag numbers assigned.

#### 3-2.3.2 **Operation**

Each customer is issued a minimum of three zippered bags — one to be kept at the customer's place of business, one to be used in transit by the customer's courier, and one to be kept at the Postal Service plant. When the courier returns a bag, the Postal Service issues the courier an empty one.

The customer returns misdirected mail on each courier trip. The receiving Postal Service personnel must do the following:

- a. Promptly empty the bag.
- b. Estimate the volume returned.
- c. Fully record the transaction on the activity control log, including customer name and bag numbers (both the number of the bag received and the number of the bag issued).
- d. Expedite the missent mail to the correct customer's caller/box section.

Performance Measurement 3-3

# 3-3 Quality Control

The plant must use quality control procedures to determine the cause of misdirected mail — e.g., patterns for missorts, envelopes with misprinted FIMs or barcodes, or improper or incorrect addressing. Report apparent causes to In-Plant Operations so they can try to resolve the problem at the source.

Keep an activity control log (see Exhibit 3-3) to assist in evaluating regular mail returned by each customer. Also, report any exception to the regular use of the zippered bag to the manager of In-Plant Operations, who will contact the customer to resolve the problem and to seek cooperation with this program. This program will be effective only if all remittance mailers are committed to making this program work successfully.

Exhibit 3-3
Activity Control Log (Returned Missort/Missent) — Example

Company Name	Date & Time Bag Returned	Bag Number	Est. Volume Returned	Possible Causes of Missort/Missent Mail
ABC Co.	10:00 a.m.	123	10 letters	Incorrect 4 digit add-on applied (envelope photocopied and forwarded to In-Plant manager for review)
XYZ Co.	11:00 a.m.	127	1 letter	No obvious error with mailpiece, possibly a "double-fed."
J&K Co.				

# 4 Log Book and Courier Performance

## 4-1 Couriers

Most remittance customers employ private couriers to transport their remittances from the Postal Service to their businesses. Since the courier's performance can complement or negate Postal Service efforts to advance remittance mail to the customer, it is crucial that plant personnel accurately record the volume available at pick-up time, the volume actually picked up, and any available volume left behind by the courier.

For each remittance mail customer, a plant must maintain a courier logbook (see Exhibit 4-1) that captures the following information:

- Name of the remittance customer.
- b. Date and time the remittance mail was picked up.
- c. Volume available.
- d. Volume actually picked up.
- e. Volume available but not picked up by the courier.
- f. Courier's signature.
- g. Notes on any unusual occurrences relative to the pick-up.
- h. Initials of Postal Service employee tendering mail to courier.

Exhibit 4-1

Courier Log Book — Example

Company Name	Date & Time of Pick-up	Volume Available	Volume Picked Up	Volume Not Picked Up	Courier Signature	USPS Personnel Notes and Initials
ABC Co.	10:00 a.m.	5 trays	5 trays	N/A		BJM
XYZ Co.						
J&K Co.						

The logbook must accurately document all mail tendered to the courier.

## 4-2 Point of Contact/Communications

A key element to improving customer service is to designate a single local point of contact to handle remittance issues. This individual must have a comprehensive understanding of postal operations, as well as some familiarity and understanding of the objectives of local remittance clients. This person's duties include representing the Postal Service at remittance mail industry meetings and coordinating all aspects of plant activities related to the effective and timely processing of remittance mail. This person may seek assistance from the area remittance mail coordinator to address issues outside the plant's control.

In an effort to augment and centralize communications, some sites have established a remittance hotline that is available 24 hours a day 7 days a week.

## 4-3 Phoenix-Hecht Survey

The main objective of the remittance mail industry is to process and clear payments from the payer to the payee as quickly as possible. The industry monitors Postal Service performance through the Phoenix-Hecht Survey, which reports on Postal Service performance and financial float times on wholesale remittances (business-to-business payments). It measures mail delivery in hours rather than in days.

The Phoenix-Hecht Survey is conducted twice a year, in April and October. Results are published 2 to 3 months after the survey is conducted. The Postal Service receives copies of the results. Individual offices interested in receiving an electronic copy of the results should contact the Headquarters Library at 202-268-2907.

## 4-4 CONFIRM — Using PLANET Codes

The Postal Service offers a new program called CONFIRM® to help mailers track mailpieces sent by First-Class Mail or Standard Mail. CONFIRM also allows the Postal Service to analyze mail processing procedures.

In the CONFIRM program, the mailer places a PLANET barcode on the front of the mailpiece. Mail processing equipment reads the PLANET barcode, along with the POSTNET barcode, and records this information. CONFIRM provides reports showing valuable tracking information about each mailpiece:

- When the mailpiece was processed: date and time.
- Where the mailpiece was processed: the plant and operation code.

Mailers can access this tracking information electronically, either through the Postal Service's web site at *www.planetcodes.com* or by direct data interchange.

Postal Service Headquarters, areas, and plants can use this information to analyze mail processing procedures and help eliminate cycle time, recycle time, and unnecessary sortations:

- Cycle time (also called "wait time") occurs when there is a delay in continuously flowing mailpieces between mail processing operations.
- Recycle time occurs when plants rerun (i.e., loop) mailpieces through automation equipment using the same operational number.
- Unnecessary sortations occur when mailhandlers improperly stage incoming (destinating volume) "FIM MIXED FIRMS" trays for a financial or box section sort plan operation.

Cycle time, recycle time, and unnecessary sortations negatively affect the performance of remittance mail. They cause delays in mail processing and thereby decrease prompt service for remittance customers. Such delays can reduce prompt cashflow for remittance customers and can therefore cost them money, which in turn can create dissatisfied customers and prove costly to the Postal Service.

However, plants that reduce mail processing time by increasing efficiency will improve remittance mail service — and that means success to remittance customers. And the CONFIRM program, using PLANET Code technology, provides information that can help the Postal Service analyze mail processing procedures and improve mail service.

## Appendix A

# **National Firm Holdout Plan Checklists**

The Headquarters Remittance Team visited many sites to gather best-practice guidelines to share with all Postal Service plants. Working together with the plants, the team developed the "National Firm Holdout Plan Checklists To Improve Remittance Mail Service." These checklists will help identify operational areas of opportunities that will improve service performance for remittance customers. Use the checklists to review the many aspects of remittance mail service:

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## **Administrative**

No.	Question	Yes	No	N/A
1	Does the plant have a Standard Operating Plan (SOP) for the remittance mail that includes the procedures to handle the National Firm Holdout (NFH) plan for remittance mail from the input subsystem (ISS) and the output subsystem (OSS)? If yes, attach a copy of the SOP.			
2	What procedures does the plant use to update the NFH? (Explain in the "Comments" section.)			
3	When was an 891 DAS last completed? Are the highest density AADCs from the DAS included on the 891 FIM Sort Plan? (If no, explain in the "Comments" section.) Have the lowest density AADCs been deleted from the 891 FIM Sort Plan? (If no, explain in the "Comments" section.)			
4	Does the plant have an internal measurement system that measures remittance mail service performance? (If yes, explain in the "Comments" section.)			
5	What Firm Directs from the National Preferred FIM List and local holdouts have been included on the 891 FIM Sort Plan? (Optional: In the "Comments" section, provide a copy of the 891 FIM Sort Plan and use one highlight color to identify firm holdouts from National Preferred FIM List and another highlight color to identify local holdouts.)			
6	What is the up-time or cut-off time for the box/caller section?			
7	Does the plant have dedicated staffing for the manual operation?  Do employees identify loop mail to be corrected?  If yes, explain in the "Comments" section what action is taken.  If no, explain in the "Comments" section what new initiative(s) can the plant take to improve loop mail or "Tail of the Mail."			
8	Does the plant have a dedicated area for caller/box operations?			
9	Are service talks provided to all the appropriate employees concerning remittance mail service?  When was the last remittance mail service talk given?			
10	What is the plant's current 2/3-day originating composite EXFC score, and what is its goal? Current: Goal:			

Comments:

# **Equipment**

No.	Question	Yes	No	N/A
1	Is the scheduled maintenance completed on the ISS/OSS machines daily?			
2	What is the plant's equipment inventory?			
	AFCS/ISS:			
	MLOCR/ISS:			
	DBCS/OSS:			
	Low Cost OCR:			
	MPBCS:			
	BCS/OSS:			
	DBCS:			

Comments:

# **Opening Unit (Operation 010)**

No.	Question	Yes	No	N/A
1	What is the clearance time for Operation 010?			
2	What is the percentage and average daily volume (ADV) of cancellations off the AFCS?  FIM mail:			
	%:			
	ADV:			
	Enriched:			
	%:			
	ADV:			
	Script:			
	%:			
	ADV:			
3	What is the plant's average daily cancellation volume?			
4	Does the plant use "Lift All Mode" on the AFCS for RBCS?			

Comments:

## 891 FIM Sort Plan

No.	Question	Yes	No	N/A
1	Does the plant have an 891 FIM Sort Plan? Is it run nightly? (If no, explain in the "Comments" section.)			
2	Are the largest remittance cities included on the current 891 FIM Sort Plan in separate stackers? (If no, explain in the "Comments" section.)			
3	What time does 891 FIM Sort Operation clear on average?			
4	Optional: Using the 891 FIM Sort Plan, answer the following: % flow to 892: % flow to 894 and 895: % flow to Remittance Cities: % flow to caller box operations: % flow to DPS: % finalized/dispatched (excluding volume for 32 remittance cities):			
5	Is the plant in compliance with the requirements of remittance mail tray label with CIN 174? (If no, explain in the "Comments" section.)			
6	Can the FIM clearance time be changed to accommodate remittance mail being backflowed from ISS/OSS operations? If not, explain in the "Comments" section.			
7	How does the plant handle rejects from the 891 FIM Sort Plan? (Explain in the "Comments" section.)			

Comments:

# ISS (881) and OSS (971) Operations

No.	Question	Yes	No	N/A
1	Do all ISS machines have a National Firm Holdhout (NFH) bin? Do all OSS machines have an NFH bin?			
	(If no to either question, explain in the "Comments" section.)			
2	What bin number(s) has been identified as the NFH? ISS NFH bin #: OSS NFH bin #:			
3	What is the average daily volume (ADV) of the ISS/OSS? ADV ISS: ADV OSS: What is the percentage and ADV of the NFH stacker for the ISS? %: ADV: What is the percentage and ADV of the NFH stacker for the OSS? %: ADV:			
4	How does the plant identify the NFH mailtrays backflowed to the 891 FIM Sort Plan? (Explain in the "Comments" section.)			
5	What procedure is in place to ensure that the NFH bin mail is backflowed to the 891 FIM Sort Plan? (Explain in the "Comments" section.)			
6	How is the residue NFH mail processed once the 891 FIM Sort Plan closes? (Explain in the "Comments" section.)			
7	What is the clearance time for ISS/OSS Operations? ISS: OSS: What is the difference in actual clearance time from ISS/OSS to the actual clearance time of the 891 FIM Sort Plan? ISS: OSS:			
8	What is the plant's average remote computer reader (RCR) percentage?			

Comments:

# **Operation 030 (Manual)**

No.	Question	Yes	No	N/A
1	What is the clearance time for Operation 030 (manual)?			
2	Is mail that is swept from automation operations processed and dispatched to meet service standards? (If no, explain in the "Comments" section.)			
3	Is mail swept from Operation 030 to your caller/box operations at an hourly frequency? If no, how often?			

Comments:

## **Remittance Couriers**

No.	Question	Yes	No	N/A
1	Does the plant have courier logbooks?			
2	Does the plant log courier arrival information?			
3	Has the plant established courier profiles? If so, how often are they reviewed?			
4	Is the courier adhering to pick-up schedules?			
5	Does the plant have a separate courier arrival location?			
6	How does the courier call for remittance mail? (Explain in the "Comments" section.)			
7	What procedure is in place to ensure that all available remittance mail is swept and staged for scheduled pick-up? (Explain in the "Comments" section.)			
	What procedure is in place to track remittance mail volume picked up by the courier? (Explain in the "Comments" section.)			
	What are the procedures when mail is left at the plant by the courier? (Explain in the "Comments" section.)			
8	Does the plant meet with the remittance mail customers regularly concerning courier pick-up?			
9	Does the plant have a program in place (for example, a zippered bag program) to handle missort, missent, and misdirected mail that has been returned from the remittance customer?			
	(If yes, explain in the "Comments" section.)			

Comments:

# Quality

No.	Question	Yes	No	N/A
1	Does the plant verify the originating FIM remittance mail prior to dispatch?			
2	Does the plant verify destinating remittance mail before giving it to the customer for pick up?			
3	What is the plant's procedure in checking sort plans after updates? (Explain in the "Comments" section.)			
4	Does the plant have a loop mail policy that is in compliance with Handbook PO-441, <i>Rehandling of Mail Best Practices?</i>			
5	Does the plant have a process management flowchart for remittance mail? If yes, attach a copy.			
6	Are the national account managers of remittance customers communicating with the plants on customer concerns?			
7	Does the plant meet with their remittance mail customers?			
8	Does the plant notify origin plants that are not using the approved CIN 174 label for remittance mail?			

Comments:

# **Destination Plant (Incoming Opening Unit)**

No.	Question	Yes	No	N/A
1	What does the plant do with the trays that are labeled with the "FIM MIXED FIRMS" CIN 174 label? (Explain in the "Comments" section.)			
2	Does the plant have a destinating 897 remittance sort program or a destinating financial scheme sort?  If not, what operation processes your candidate remittance mail? (Explain in the "Comments" section.)			
3	What does the plant do with the non-remittance mail from the remittance mail 897 program or 895 program? (Explain in the "Comments" section.)			

Comments:

### Appendix B

# DAS Collecting Procedures: ECA Delivery Barcode Sorter

Use the following Density Analysis System (DAS) collecting procedures instructions when collecting ZIP Code densities for selected sort plans on the ElectronCom Automation (ECA) delivery barcode sorter (DBCS).

# Phase 1: Enabling Auto-upload of DAS to National Directory Support System (NDSS) (via System/Operational parameters menu)

- At the ECA/DBCS MAIN MENU select "Sortplan Maintenance Menu."
- 2. At the SORTPLAN MENU select "Edit Run Parameters."
- 3. At the SORTPLAN PARAMETER EDIT MENU, arrow down to the desired sortplan, press the Enter Key.
- 4. A drop down menu will appear displaying the following:
  - a. Sortplan Name.
  - b. Operation number.
  - c. DAS Collection option set to "YES."
- 5. Tab to the Enter button and press the Enter Key.
- Press the F1 function key to escape back to the MAIN MENU.

#### Phase 2: Processing Mail

- 1. At the ECA/DBCS MAIN MENU select "Mail Processing."
- 2. At the MAIL PROCESSING MENU select "Load Run Info."
- 3. Enter the correct data and press "F2 Enter Key."
- After loading the correct sortplan, press "Start Mail Processing."
- 5. A drop down Menu will appear asking, "Create Density Analysis Reports for this Run?"— select Yes and press the Enter Key.
- 6. At the next Menu select "By ZIP" and press the Enter Key.
- 7. Next enter the LOW ZIP LIMIT 000000000.

- 8. Next enter the HIGH ZIP LIMIT 999999999
- 9. Tab to Enter Button and press the Enter Key.
- 10. Once this task is completed the computer will display the "On Line Mail Processing."
- 11. In the blue shaded area near the bottom of the screen DAS: Active should appear.
- 12. Upon completion of the run, press "F1 to "Stop Mail Processing":
  - a. Select "Yes" Exit this Sort Run.
  - b. Select "Yes" Print End of Run.
- 13. After printing the End of Run the system will ask "Print Density Analysis Report."
- 14. Select "No."
- 15. DAS data will be uploaded to NDSS to be combined and printed out later.

# Phase 3: Disabling DAS at the End Density Collection Period

- Once data collection is completed, return to the instructions for Phase 1, "Enabling Auto-upload of DAS to National Directory Support System (NDSS) (via System/Operational parameters menu)," and complete the steps as noted below.
- 2. Complete steps 1, 2, and 3 as described in Phase 1.
- 3. In step 4, set the DAS Collection option to "NO."
- 4. Complete steps 5 and 6 as described in Phase 1.