



Prescott Report

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Editor's Note: What's Inside This Month

Marketing, Privacy, Postal Issues...

We are all coming to the end of a fast and furious Spring, and we look forward to a bit of a breather, with Summer breaks and family outings providing some relief until it all begins again in September.

Regardless of the time of year, however, it's never out of season to take a look at excellent marketing, and one of the best teachers of dm, **Beth Smith**, unpacks for us the campaign that literally saved a company – *Glidden*. No doubt many of our readers are planning a painting project even at this moment!

Diplomatic embassies are special places.

While their official communications are sacrosanct, the personal messages of personnel are not, and yet those representatives have a need for postal connections "with home". Our special correspondent on postal issues in Washington, DC, **Kate Muth**, tells us a remarkable story of how the US diplomatic corps postal service (DPO) was recently implemented. It involves the "intelligent mail barcode" which will play an increasingly important role in the future of mail in the US.

Next, an 'advertisement' for an important one day conference on the future of the US Postal Service. *PostalVision 2020* on June 15 in Washington

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State Department Finds Mail Visibility Solution in IMb for Diplomatic Mail

*On this Editor's first visit to the US State Department's headquarters in Washington, DC, my host quietly pointed out two memorial plaques in the main lobby. These are maintained by the American Foreign Service Association. They hold the names of State Department personnel who have given their lives in distant places in service to the United States of America. Today, there are some 280 names. This reminds us that our diplomatic representatives overseas often lead dangerous and lonely lives. Our Special Washington Correspondent, **Kate Muth**, describes one effort meant to reduce at least that isolation. [Editor]*

Ask anyone who has served overseas or relocated to a remote corner of the earth and they will tell you there is nothing quite like getting a piece of mail from home. The military long ago discovered that mail boosts the morale of troops serving in hot spots around the globe or soldiers and sailors stationed at a base far from family.

The DPO is born.

It was with that goal in mind – to boost morale -- that Congress passed a law authorizing the U.S. Department of State and the Postal Service to jointly establish branch post offices at diplomatic missions overseas. The diplomatic post office (DPO) effort got under way seven years ago to provide mail service to diplomatic corps serving in “hardship posts” in Africa, explained Michael Francis, Branch Chief for Mail Management at the Department of State. Modeled after the APO and FPO mail service to troops in the armed forces, the DPO program would more directly connect those serving in hardship posts with their family and friends back home.

Francis started the DPO program for the State Department in 2002 and rolled out the first DPO in 2003. As the program gained traction, it became evident that it should not be limited to hardship posts, Francis said.

A Global System.

“As we rolled the program out, we got a wider scope of the things that could be done with it,” Francis said. The program quickly expanded and the State Department now plans to set up DPOs in over 100 locations. As of early 2011, State had opened 31 DPOs and had another 58 locations working as DPOs but not yet formally handed over from the military. Prior to the DPO program, a select group of diplomatic postings received APO addresses and their mail was handled like military mail.

Not many returns, “retrograde”.

While DPOs are similar in concept to APOs or FPOs, they have some idiosyncrasies. One is that many of them have a very low density of retrograde mail – or mail that is coming back to the United States from the posts. This made it hard to gauge and track service levels for this type of mail. Retrograde mail travels on commercial flights and then enters the USPS mail system at one of the Postal Service's three international gateways: New York/New Jersey, Los Angeles or Miami. Visibility into the mails' travels was poor, Francis noted. About 500,000 kg of retrograde comes into the U.S. through those three international gateways in a year.

When the Department of Transportation deregulated international airlift of mail almost two years ago, retrograde mail was often taking an even more circuitous route to the U.S., Francis said. Some mail was going via whatever airline and route were least expensive, not necessarily on direct flights, he

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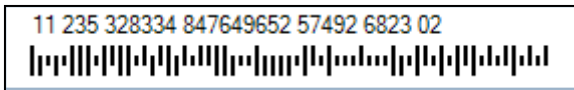
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said. Service complaints were picking up as well.

“Mail from an African DPO might run through three European cities and ride on two or three different planes before it reached one of the U.S. gateways,” he said. “We had a total lack of visibility and it was hard to pinpoint where the service problems might have originated. Having some sort of GPS-type system or tracking visibility was critical.”

IMB (Intelligent Mail Barcode) gets a try-out.

Francis decided to look into a solution using the Intelligent Mail barcode. Intelligent Mail® is the



Postal Service’s technology platform for the next generation of mailing services and products, which promote end-to-end visibility of the mailstream and a seamless process for mail acceptance and delivery. The foundation of the Intelligent Mail program is the robust Intelligent Mail barcode (IMb), which allows for a wealth of information to be included in the barcode.

Francis went to the 2008 National Postal Forum looking for a solution from one of the hundreds of vendors that exhibit at the annual mailing industry trade show. Francis had visited the GrayHair Software booth at a previous Forum and had tried its free Intelligent Mail trial cards, which included an IMb on the back of the card and allowed the user to create an account, put the IMb on a letter and then check its movement by logging on to the web.

Francis stopped by the booth and ran into Tom McCaully, GrayHair Software partner, to whom Francis explained his situation. McCaully immediately saw a way to leverage the IMb technology to capture and report visibility on DPO retrograde mail entering one of the USPS’ gateways.

Pilot with GrayHair.

The parties agreed to a pilot program that relied on GrayHair to provide the IMBs and to manage the Mailer IDs, which would allow for granular reporting through the three different USPS gateways and their associated DPOs. GrayHair set up accounts for DPO employees and created accounts for the testing facilities. In the first phase of the pilot program, GrayHair provided IMb labels to the eight pi-

lot locations for an initial two-month test period. The Department of State has since adopted and implemented the program at over 90 locations and has been pleased with the results.

Labels to test, not inkjet.

DPO employees at the facilities would place IMb labels just above the delivery address on outgoing retrograde letter mail that was destined for the United States. DPO workers would not necessarily label every piece in a bundle, but enough that they could see scans for each bundle of mail sent. The employees would then peel off the unique identifying number beside the IMb and place it on the AV-7 Dispatch form. They would scan the IMb identifying (*code 128 translated barcode equivalent*) number onto a State Department spreadsheet using a WASP scanner. After some manual inputting of other information, the employees would submit an updated report to DPO staff each business day that IMb labels were used.

Gateway scan.

The first scan of these pieces was when they hit one of the three USPS gateways at JFK Airport, Miami or, at that time, San Francisco, after the mail cleared customs. (The USPS has since switched the west coast gateway to Los Angeles). Letters would continue to be scanned across the entire USPS system until they arrived at the delivery branch.

Online tracking provides insights.

GrayHair created a web reporting site for State Department employees to monitor the performance of the IMb pieces. This helped them discover where delivery problems were occurring.

“Working closely with Postal Service plant managers, we were able to leverage the technology to find solutions to service glitches,” Francis noted.

While the initial phase enabled the State Department to gain visibility into postal delivery, it also identified a gap in the transit patterns to the three U.S. Gateways, noted Tom McCaully, Partner at GrayHair. It became apparent that additional monitoring would be required to ensure that the airlines were upholding their service level agreements (SLA) with the USPS. under the respective carrier contracts. Or as Francis put it, “We needed the other half of the solution.”

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Tracking provides improvement.

GrayHair worked to bridge that gap in phase II, which included improvements that enabled the State Department to gain the necessary intelligence into the transit times from each Embassy location back to the three U.S. Gateways. By having this additional origin scan information, attention could now be focused on underperforming partners in the airline industry. With “Start the Clock” information readily available, program administrators could begin to anticipate where issues might arise and preemptively take appropriate action. In addition, individual DPO locations can now track their own retrograde mail shipments and diagnose delivery issues while alerting the program administrators in a more timely fashion.

“The additional scrutiny that the State Department is now employing by using origin scans has resulted in more on-time delivery and fewer missed SLA’s by the airlines,” stated Tom McCaully.

The State Department found a user-friendly tracking tool in the IMb, with GrayHair tailoring a solution for the unique DPO mail service that, ultimately, is much more than a mail service. The DPO program connects those citizens serving their country in far-flung corners of the earth with their family, friends and colleagues back in the United States.

Kate Muth is an experienced and highly respected postal expert, consultant and reporter commentator. She can be reached at Muth Communications, +1.703.237.0012 or katemuth@comcast.net.



Published for Comment in China: Draft of Guidelines for Personal Information Protection



*In many ways, China is very opaque to us, especially with respect to privacy law and marketing regulation. The following article on privacy law developments in China has been provided to us by **Manuel E. Maisog, Esq.** of **Hunton & Williams LLP, Beijing, China**. It suggests that there are currently no data protection regulations in effect in China, but these now appear to be seriously under discussion. [Editor]*



Recently, there appeared a development in Chinese data protection that, while still in its initial stages, has the potential to become something quite significant.

A draft of a document entitled **Information Security Technology - Guidelines for Personal Information Protection** is under preparation and was published for solicitation of opinions on the website of the Ministry for Industry and Information. The document is being prepared as a national standard. change by the time it arrives at a final, binding version.

Very generally speaking, and subject to the qualification that changes may occur, the current draft of the document proposes to establish a principle-based system. The principles in the current draft are generally in line with internationally accepted concepts. Besides proposing a set of data protection

principles, the current draft also proposes more specific security safeguard standards for personal information protection. Significantly, these include transfer restrictions.

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