



## POSTAL SERVICE

### Privacy Act of 1974; System of Records

**AGENCY:** Postal Service™.

**ACTION:** Notice of modification to existing system of records.

**SUMMARY:** The United States Postal Service® (Postal Service) is proposing to modify one Customer Privacy Act System of Records. These modifications are being made to support the implementation of a revenue assurance system to ensure the accuracy of postage payment across payment systems.

**DATES:** These revisions will become effective without further notice on [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] unless comments received on or before that date result in a contrary determination.

**ADDRESSES:** Comments may be mailed or delivered to the Privacy and Records Office, United States Postal Service, 475 L'Enfant Plaza SW, Room 9431, Washington, DC 20260-1101. Copies of all written comments will be available at this address for public inspection and photocopying between 8 a.m. and 4 p.m., Monday through Friday.

**FOR FURTHER INFORMATION CONTACT:** Matthew J. Connolly, Chief Privacy Officer, Privacy and Records Office, 202-268-8582 or [privacy@usps.gov](mailto:privacy@usps.gov).

**SUPPLEMENTARY INFORMATION:** This notice is in accordance with the Privacy Act requirement that agencies publish their amended systems of records in the *Federal Register* when there is a revision, change, or addition.

The Postal Service™ has reviewed this system of records and has determined that this Customer Privacy Act System of Records should be revised to modify the following entries: system name, system location, categories of records in the system, authority for maintenance of the system, routine uses of records in the system, including categories of users and the purpose of such uses, and retention and disposal.

### **I. Background**

The Postal Service currently sells postage through multiple payment systems, including postage meters and online through third party software providers (“PC Postage”). Frequently, the Postal Service identifies disparities in mailpiece characteristics or instances of duplicate label use, which result in mailers paying incorrect postage. The Postal Service will be implementing a new revenue assurance system involving enhanced capabilities to identify these disparities and recover incorrect postage revenue for mailing and shipping services. This new system will rely on third party software providers to assist with remediation and recovery of incorrect postage payments.

### **II. Rationale for Changes to USPS Privacy Act Systems of Records**

The Postal Service is implementing a revenue assurance system to ensure accuracy of postage payment, primarily focused on its PC Postage and meter payment systems. However, certain planned enhancements will be leveraged across the complete range of Postal Service payment systems, including Postage Validation Imprinter (PVI) and the Electronic Verification System (eVS). The primary purpose of the planned system is to support recovery of postage discrepancies in an automated fashion, limiting manual work to maximize financial

return. Accordingly, automated approaches will be deployed as much as possible across the end-to-end process. Therefore, detection of incorrectly paid postage will occur primarily based on piece characteristics captured in-line via the existing (or future equivalent) in-line sortation equipment. Manual approaches will be utilized strategically as warranted by balancing the expense of the manual activity with the incremental revenue recovery enabled.

This revenue assurance system compares data collected from within the postal network and derived from postal operations such as the in-line sortation equipment with data in the National Meter Account Tracking System (NMATS) database, Electronic Verification System (eVS) (for those customers using the Shortpaid model), Program Registration, and Product Tracking and Reporting (PTR) to determine whether accurate postage has been paid on mailpieces and packages.

These data will be summarized in a report intended to be shared with customers through third party software providers so that each provider can see which of its postage accounts the Postal Service has identified to have paid incorrect postage on mailpieces and packages entered into the Postal Service system. In instances where no third party software vendor is employed, data will be shared directly with the end customer (eVS).

The Postal Service intends to automate recovery and tracking through a new system. This new application will receive data on piece characteristics from other postal systems, assess postage for each piece, create and monitor customer account profiles, and provide a file to the provider or customer to permit financial recovery.

In the case of PC Postage and Meters, the provider would be responsible for facilitating an adjustment transaction on behalf of the customer so that an adjustment can be made to the customer's virtual meter balance.

For eVS, customer accounts will be assessed based on existing methodologies, which include a sampling-based approach using a Postage Adjustment Factor (PAF) and an alternative Shortpaid recovery methodology similar to that used for PC Postage. The new system infrastructure will be employed by eVS to streamline sampling and assessment processes. The primary benefits of the program are anticipated to be recovery of revenue shortfall and reduced future instances of incorrect postage payment due to disparities in piece characteristics or duplicate label use, leveraging enhanced capabilities to identify these instances and a new process for revenue recovery.

The initial phase will focus on shipping services and is anticipated to be implemented prior to the end of Fiscal Year 2015.

### **III. Description of Changes to Systems of Records**

The Postal Service is modifying one system of records listed below. Pursuant to 5 U.S.C. 552a (e) (11), interested persons are invited to submit written data, views, or arguments on this proposal. A report of the proposed modifications has been sent to Congress and to the Office of Management and Budget for their evaluation. The Postal Service does not expect this amended notice to have any adverse effect on individual privacy rights. The affected systems are as follows:

USPS 870.200

SYSTEM NAME: Postage Meter and PC Postage Customer Data and Transaction Records

Accordingly, for the reasons stated, the Postal Service proposes changes in the existing systems of records as follows:

**USPS 870.200**

**SYSTEM NAME:**

*[CHANGE TO READ]*

Postage Validation Imprint (PVI), Electronic Verification System (eVS), Postage Meter, and PC Postage Customer Data and Transaction Records

**SYSTEM LOCATION**

*[CHANGE TO READ]*

USPS Headquarters, USPS facilities, Integrated Business Solutions Services Centers, and partner locations.

\* \* \* \* \*

**CATEGORIES OF RECORDS IN THE SYSTEM**

*[CHANGE TO READ]*

1. *Customer information:* Contact name, address, and telephone number; registration identifiers; company name; and change of address information.
2. *Identification information:* Customer/system ID(s), IP address(es), date of device installation, device ID number, device model number, and certificate serial number.

3. *Mailing and transaction information:* Tracking ID, package identification code (PIC), customer provided package/transaction attribute data, postage paid, contract pricing, package attribute data, USPS collection and source system identifiers, mail piece images, and package destination and origin.

**AUTHORITY FOR MAINTENANCE OF THE SYSTEM**

*[CHANGE TO READ]*

39 U.S.C. 401, 403, and 404; 39 CFR Part 501.

\* \* \* \* \*

**ROUTINE USES OF RECORDS IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES**

\* \* \* \* \*

*[ADD TEXT]*

b. Customer-specific records and related sampling systems in this system may be disclosed to relevant eVS customers, indicia providers, and PC Postage providers, including approved shippers, for revenue assurance to ensure accuracy of postage payment across payment systems, and to otherwise enable responsible administration of postage evidencing system activities.

\* \* \* \* \*

**RETENTION AND DISPOSAL**

*[CHANGE TO READ]*

\* \* \* \* \*

2. Other records in this system are retained up to 7 years after a customer ceases using a postage evidencing system.

\* \* \* \* \*

**Stanley F. Mires,**

*Attorney, Federal Requirements.*

[FR Doc. 2014-28882 Filed 12/09/2014 at 8:45 am; Publication Date: 12/10/2014]