

**Mail Prep & Entry Steering Committee Meeting**  
**Tuesday, May 14, 2013; 9:00am-12:00pm**

**Attendees**

**Industry**

Todd Black, Time Inc.  
Deb Damore, ACA Fairrington  
Robert Galaher, NAPM  
Max Heath, NNA  
John Medeiros, Parcel Shippers Association  
Susan Pinter, Arandell (DGA)  
Wanda Senne, World Marketing  
John Stark, Conde Nast  
Phil Thompson, Quad Graphics  
Jack Widener, ABM  
Michelle Zalewski, ALG Worldwide  
Rose Flanagan, Data-Mail Inc/NASML  
Dale Miller, RRD

**Postal**

Dane A. Coleman  
Lizbeth Dobbins  
Lauren Zalewski  
Kevin Gunther  
Dale Kennedy  
Chung Kim  
Abby Martin  
Paul Mitchell  
Cathy Moon  
Steve Monteith  
Don O'Hara  
Christian Rivera  
Craig Vance  
Tom Foti  
Rick Baxter (Phone)

**Network Rationalization**

- Network rationalization enables the establishment of efficiencies in Pre-Sort strategies

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Facilities	461	319	235
ADCs	116	0	
AADCs	181	0	
SCFs	339	212	155

- Look at eliminating ADCs and AADCs – is this a benefit to industry?
- By consolidating network and few facilities, gives benefit of fewer entry locations
- Right now, letter side already moving in this direction – all priced the same; has not been done on flats as yet although costs are moving closer together – flats at ADCs and flats at SCFs
- Generally makes sense; this will naturally occur as network rationalization continues – will no longer need to have these added layers of complexity as the 3-Digit scheme would be more closely aligned with the SCFs
- Any benefits of doing it upfront instead of letting it occur naturally?
- Would not want to see SCF discounts be eliminated
- **Action Item:** What do the 155 SCFs mean in terms of the 3-Digit schemes – discuss during next in-person meeting when have more of the analysis done

- Also need to engage software engineers in a future discussion to see how this major change may impact systems
- As part of the network rationalization process, introduced the HUB concept (between destination and delivery points for consolidation purposes) – is there a benefit to allowing entry into these HUB locations as a cross-dock operation where we would flow it down to the delivery unit?
  - would have an SCF rate
  - non-FSS zones only
  - essentially a 5-Digit pallet
  - would be optional so could still drop at SCF locations
  - some mailers may want to drop at the HUB locations to get closer to their delivery locations for service purposes
  - **Action Item:** develop an MTAC Work Group to discuss HUB concept

### **WorkGroup #156 – Mail Optimization Matrix (MOP)**

- Mail Optimization Matrix – divided into three subgroups – letters, flats and parcels separately – effective way to organize ideas/opportunities for improvement
  - **Letters** - fairly complete but still in progress
  - **Flats** - in progress
  - **Parcels** - split into small parcels, non-machineable parcels and machineable parcels - complete
- Next Steps:
  - Want to vet the ideas identified in the MOPs through the Mail Prep & Entry Steering Committee to move them forward
  - **Action Item:** Cathy Moon to send out template for submitting ideas to incorporate into Benefit/Effort matrix
  - **Action Item:** within each of the groups, create templates for individual ideas for submission to Mail Prep & Entry Steering Committee – incorporate priority within the proposal prepped for submission

### **Discussion status of current subgroups**

#### **Subgroup Update – 24oz PER**

- There was a previous test done on AFSM 100s – currently reviewing the report produced by engineering as a result of the last test in 2002
  - One initial finding - as weight of flat increases, increased number of jams and rejects
  - **Action Item:** Cathy Moon to check if this report can be shared with industry as it identifies certain mailers; in absence of sharing this report, will pull out some main facts and findings to share at next meeting

### **Subgroup Update – Capabilities of requiring FSS bundle prep**

- Looking to continue to allow newspapers to be DDU entered. Container requirements impact still under consideration.
- Some customers may not be going full service as they are all carrier route – will they lose the discount? This is a big consideration for many mailers so they can financially plan accordingly.
- Should all FSS prep be pushed into FSS full service?
- FSS scheme pallet – should we make that a requirement at a weight of 250?
  - A lot of mailers will find it difficult to reach that weight requirement
  - Industry would not want to see a de facto rate increase
  - Decision to do will be based on the pricing of creating smaller pallets
  - Industry prefers the 250 weight to be optional
  - Automated flats prep
    - **Action Item:** Cathy Moon / Todd Black to have offline discussion
- Wish is to create more direct bundles/5-Digit pallets and bypass APPS machines
- Non-FSS mail – any thoughts about incenting 75% of the mail which is not FSS?
- If there are other concerns, need to hear them immediately
  - **Action Item:** For a January rollout, need to get a list of concerns from the software development team which meets every other Monday
- Release overview will be provided to Industry on June 25<sup>th</sup> for systems development

### **Allow commingled BPM auto flats with standard mail flats**

- Objective is to have the ability to have greater densities
- Include periodicals? Don't see a reason why periodicals could not be included
- PostalOne has been able to handle multiple parcel sizes in past
- Too late to be incorporated into January 2014 release because still have to develop a business needs case which would have to be vetted through the organization and there are only two systems release cycles twice a year – now looking at July 2014 at the earliest
- Have to recognize it won't be easy but have consensus that we should move forward with a potential July 2014 rollout – requirements will be needed by August 2<sup>nd</sup> 2013
- **Action Item:** develop a subgroup to outline requirements. Becky Dobbins and Tom Foti will take the lead on further development of this item.

### **Open Items on Ideas Log**

- Item #3 – Lauren Zalewski to develop an MTAC workgroup to discuss hub entry for flats and packages. Moving forward with HUBS – is there workshare interest?
- Item #4 – Don to get information on costing
- Item #14 – part of FSS discussion
- Item #18 – close
- Item #32 – keep (Deb Damore)

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- Item #33 – close
- Item #38-41 – Phil Thompson to provide additional information
- Item #68 – keep (Jack Widener)
- Item #71 – keep (Bill Chatfield)