

# Mail Prep and Entry Steering Committee

February 17, 2015

- **Welcome**
- **Bundle Breakage**
- **MTAC Work Groups**
- **New Issue for Log**
- **Updates since 1/15/2015**
  - **Idea Log**
- **Review B&E Matrix**
- **Open Discussion**
- **Next Steps and Wrap Up**

## Bundles with Multiple IMb scans on the APPS/APBS

<b>National Totals</b>	Bundles Scanned on APPS	Bundles w/ Multiple Piece Scans	% Bundles Broken or Nesting Errors	Standard Mail	Periodicals
<b>Jan 1-16*</b>	21,005,751	4,447,935	21.2%	21.9%	20.1%
<b>May 20-Jun20</b>	37,003,552	3,146,827	8.5%	11.4%	3.7%
<b>July</b>	35,009,112	2,927,357	8.4%	8.2%	3.4%
<b>August</b>	40,313,730	3,470,291	8.6%	10.5%	4.1%
<b>September</b>	41,880,938	3,140,316	7.5%	9.2%	3.7%
<b>October</b>	56,155,874	3,316,881	5.9%	6.9%	3.5%
<b>November**</b>	53,703,623	957,727	1.8%	1.8%	1.8%
<b>December**</b>	33,897,719	756,359	2.2%	2.7%	1.4%

\*January data prior to SEM installation on APPS and prior to FSS prep requirements

\*\*Parameter moved from 2 or more scans per bundle to 3 or more in November

***Nesting Errors are now minimized***

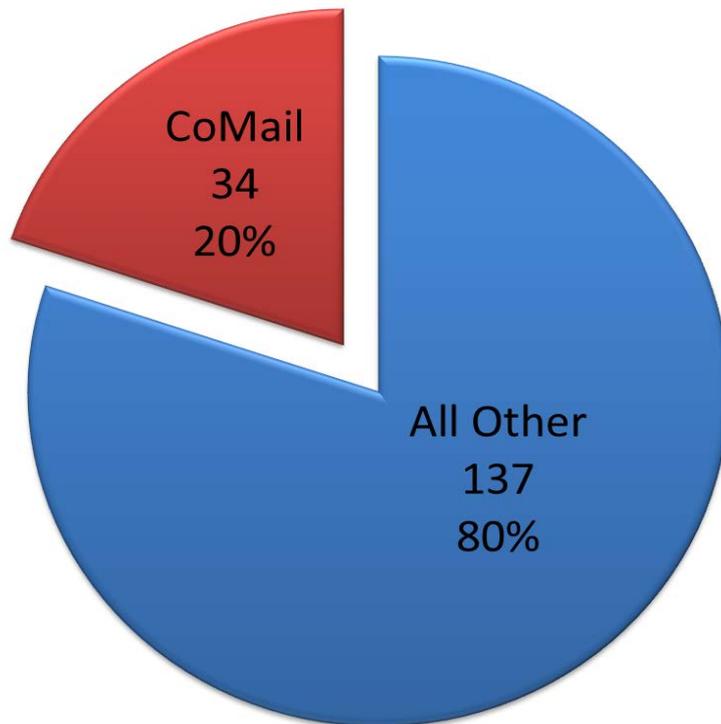
- Collected live data at Springfield NDC
- Evaluation at Dulles P&DC of Universal Dumpers (Knobs)
- Establish baseline measurements
- Establish variety methods of securing bundles

- Validating IMb data (ongoing)
- IMb nesting errors vs. bundle breakage
- Bundle rework
- Knobs inside universal dumpers

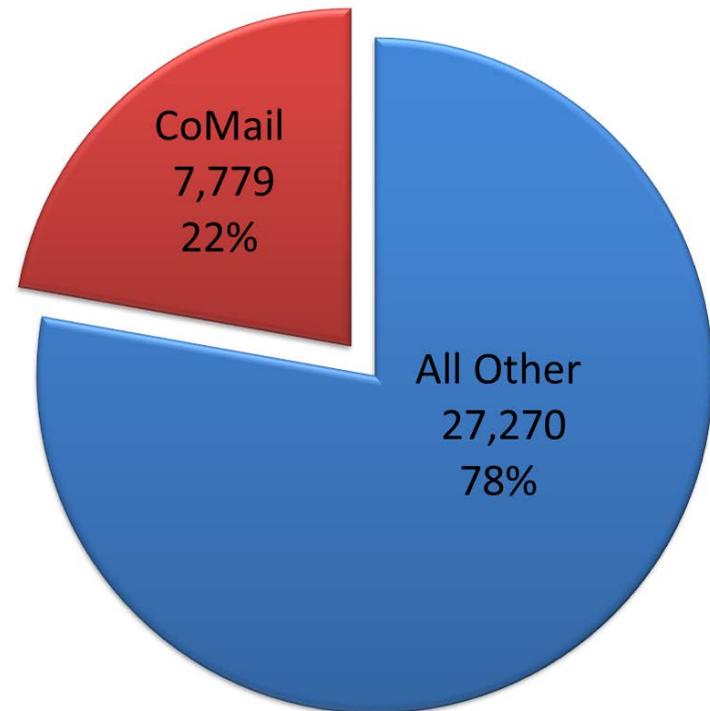




**No. of Pallets Observed**  
**(Total = 171)**

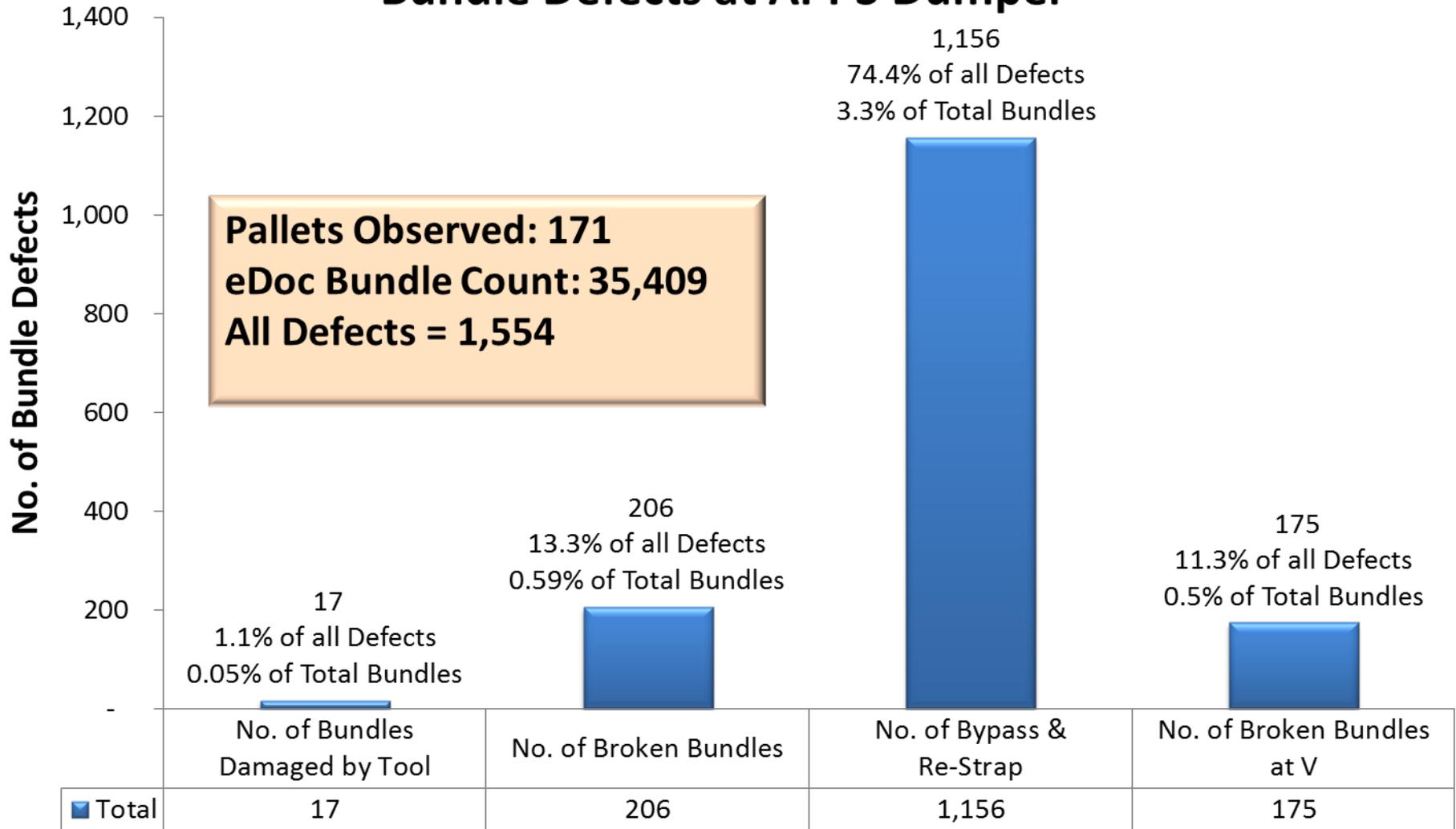


**eDoc Bundle Count**  
**(Total = 35,409)**

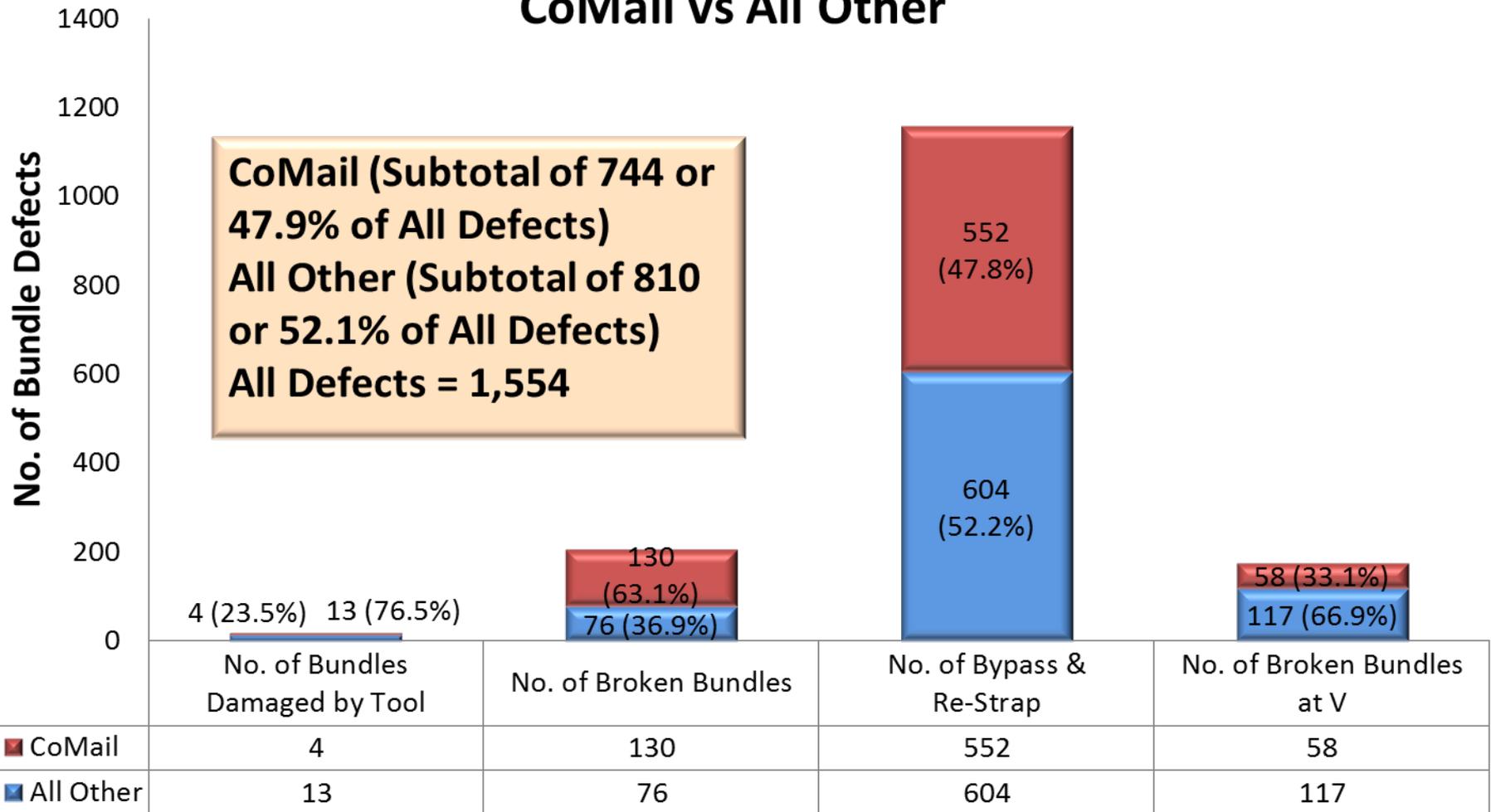


Data Source: SPD  
On-site Collection at Springfield NDC

## Bundle Defects at APPS Dumper

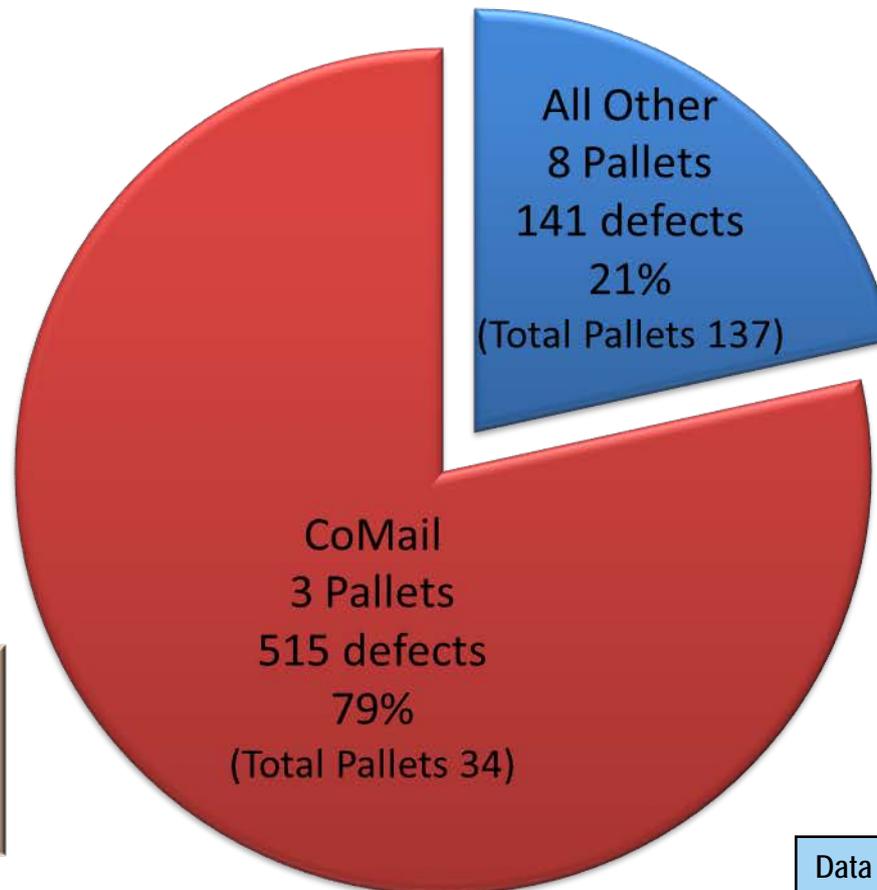


## Bundle Defects at APPS Dumper CoMail vs All Other



Data Source: SPD  
On-site Collection at Springfield NDC

## 11 Worst Offending Pallets Represents 656 of All defects (or 42.2% of 1554)



**Accounts for  
69.2% of defects  
for CoMail Pallets**

**Accounts for 17.4%  
of defects for All  
Other Pallets**

Data Source: SPD  
On-site Collection at Springfield NDC

- Not all USPS facilities are fully standardized on the processing of bundles
- Industry facility has its own standard work to create bundles and pallets
- Industry uses a wide range of strapping materials for bundles and pallets

- Visit Co-Mail Operations in Bolingbrook, IL
- Analyze the data for each type of securing bundles

## **WG # 168: *FSS Multi-scheme Pallets***

**Kickoff Meeting: 2/20/15 – Webinar – 2 o'clock PM EST**

**Target Completion Date: 8/31/2015**

### **INDUSTRY LEADER**

**Susan Pinter**

[sgpinter@arandell.com](mailto:sgpinter@arandell.com)

### **POSTAL LEADERS**

**Cathy Moon**

[cathy.l.moon@usps.gov](mailto:cathy.l.moon@usps.gov)

**Paul Mitchell**

[paul.r.mitchell@usps.gov](mailto:paul.r.mitchell@usps.gov)

- FSS Multi-scheme Pallets

## Work Group Issue Statement:

The Joint USPS and Industry Flats Strategy group and a Lean Six Sigma effort with industry Mail Service Providers identified an opportunity to reduce the quantity of low volume scheme pallets resulting from the 250lb minimum under FSS preparation rules. Modifications to the FSS Stand Alone Mail Prep (SAMP) are being tested by USPS Engineering which would facilitate sorting and prepping multiple schemes from a single pallet. This appears promising; therefore, impacts and opportunities must be evaluated from all perspectives to ensure successful implementation.

## **WG # 169: *Refining Package Machinability Standards***

**Kickoff Meeting : 2/19/15**

**Target Completion Date: 8/31/2015**

### **INDUSTRY LEADER**

**Richard Porras**

[Rporras@Newgistics.com](mailto:Rporras@Newgistics.com)

### **POSTAL LEADERS**

**Cathy Moon**

[cathy.l.moon@usps.gov](mailto:cathy.l.moon@usps.gov)

**Christian Rivera**

[christian.m.rivera@usps.gov](mailto:christian.m.rivera@usps.gov)

- Refining Package Machinability Standards

## Work Group Issue Statement:

Some mail currently qualifying as machinable is not compatible with processing on USPS automated equipment. The lack of compatibility results in manual handlings which drive up costs attributed to these products. All shapes will be reviewed (Packages first) and the requirements for machinability will be refined to reflect only mail which can be successfully processed on USPS automation. Efforts will be made to identify options that would allow the piece to continue to qualify as machinable

- **Item # 26 - Issue:** Need for APPS alternative such as AFP to process bundles and not share equipment with packages.
- **Resolution:** Better direct pallet (5 digit and FSS schemes) pricing incentives to bypass bundle handling. Inability to minimize number of bundles due to APPS 6 inch bundle tumbling problem. - **Completed January 2015**
- **Item # 85 - Issue:** The current SAMP operation is not capable of inducting facility pallets. The majority of FSS volume is prepped onto facility pallets. As a result, a majority of FSS prepped bundles require an additional bundle sort before reaching the SAMP, creating additional USPS transportation, processing costs, and puts service standards at risk.
- **Resolution:** If the current SAMP operation was improved to include induction of Facility pallets, this mail flow would no longer require bundle sorting, reducing USPS transportation costs, processing costs and improving their ability to meet service standards. **Completed January 2015**

**Proposed New Item – Issue:** The current SAMP operation is not capable of inducting facility pallets. The majority of FSS volume is prepped onto facility pallets. As a result, a majority of FSS prepped bundles require an additional bundle sort before reaching the SAMP, creating additional USPS transportation, processing costs, and increase WIP cycle time.

## Discussion:

- #79 - Issue: Although USPS processing operations are optimized by DSCF entered 5D pallets, current Periodical bundle and container prices do not signal this preparation or entry. This should be changed.
- Resolution: USPS Work with industry to determine the entry potential if the pricing properly signaled DSCF entry. This will assist in determining the right prices.

- #80 - Issue: Although USPS processing costs decrease when 5D containers are entered at the DSCF, current Periodical prices do not signal this entry strong enough, particularly with increasing transportation costs.
- Resolution: USPS Work with industry to determine the entry potential if the pricing properly signaled DSCF entry. This will assist in determining the right prices.

## Periodicals

### **“Enhanced Carrier Route Bundle Pricing for Non-FSS Flats.**

Approximately 88 percent of Periodicals Carrier Route bundles are entered at postal facilities on SCF and 3-Digit pallets. Carrier Route bundles on these pallets are more expensive to process than those entered on 5-Digit and pure Carrier Route pallets.”

### **“Separate FSS Pricing Structure**

In 2014, the Postal Service required that flats that will be processed on FSS machines comply with FSS preparation guidelines. This year, we are proposing a separate price structure for FSS that provides the lowest combined price to FSS scheme bundles on scheme containers.”

- High Priority
  - 5 Items
- Medium Priority
  - 4 Items
- Low Priority
  - 4 Items

Item / Suggestion	Current Resolution
Issue 12: Clear authority and responsibility of management of CSA's are not clearly defined.	Master Degree Black Belt Project (Nadya) continues to work this project. Will provide an update at next MTAC meeting
Issue 43: Study and determine if move to more cost based rates is beneficial	(Suspend) USPS Pricing is reviewing.
Issue 79: Bundle & Container prices should signal 5D prep and DSCF entry	Potential changes with rate change in April 2015
Issue 80: Container and Pound prices should signal the entry of 5D pallets to the DSCF and DDU	Potential changes with rate change in April 2015
Issue 95: DMM vs. CSA sortation & prep requirements as it relates to above items, as well as review and increase of internal USPS understanding of current DMM	Master Degree Black Belt Project (Nadya) continues to work this project. Will provide update at next MTAC meeting

Item / Suggestion	Current Resolution
Issue 21: Eliminate 3-digit CR prep level for STD and Periodical letters	USPS will start to elevate this issue to the next level.
Issue 23: Origin Entry Separation. Origin entry (local mail) separation requirements are not aligned across class / shape.	USPS will start to elevate this issue to the next level.
Issue 74: Removal of Origin Sack Mail	USPS LSS project will start week of 2/17/15
Issue 81: Ensure MDF facilitate all 5D containers to the deepest possible Dest Facility. With the exception of the FSS scheme pallets, redirects are limited to 3D movements. This constrains the mail direction process from ensuring all 5D pallets are directed to the DSCF.	Hubs will partially address this issue. MTAC WG 159 (Hubs) working on this issue.

<p><b>Issue 84: Re-evaluate non-machineable barcoded rates (PER &amp; BPM over 20oz)</b></p>	<p><b>Need to jointly review automation compatibility standards. MTAC Work Group Established</b></p>
<p><b>Issue 85: USPS enhance DPS bundle prep operation (currently SAMP) to be capable of processing facility pallets. (today limited to scheme pallet)</b></p>	<p><b>Propose Close 2/17</b></p>
<p><b>Issue 91: Explore pricing methods to strengthen or create uniform signals for FSS prep across each class</b></p>	<p><b>Proposed for 2015.</b></p>
<p><b>Issue 104: Explore new presort options for parcels, including 3-digit at DSCF and PSM schemes at DNDC</b></p>	<p><b>Discounts are provided today for machineables - 5 digit and NDC separations. Industry feels SCF separation is needed in order to generate growth in a competitive market.</b></p>

- Next Webinar
  - March 19, 2015 - 2:00 o'clock PM EST
  - April 16, 2015 - 2:00 o'clock PM EST
- Wrap up