

Customer Separations for Network Distribution Centers

The BMCs of the future will be called Network Distribution Centers (NDC). Each of the 21 NDCs will be categorized by their future distribution and processing role.

- Eleven Tier 1 NDCs will be responsible for distribution of local (turnaround) and destination Standard Mail, Periodicals, and Package Services.
- Six Tier 2 NDCs will have Tier 1 responsibilities, and will perform distribution of outgoing Standard Mail, Periodicals, and Package Services to the network (including, MXD States Outgoing single piece sort), and STC containerization and dispatch operations.
- Four Tier 3 NDCs will have the Tier 1 and Tier 2 responsibilities, and act as a consolidation point for less than truck load volumes from Tier 2 sites.

This redesign will allow work hours to better align with workload, as well as better utilize long-haul transportation. To further enhance the benefits of the redesign, four NDCs will have directional dispatches from Tier 1 to its parent Tier 2 facilities. This will reduce backtracking and improve service. See Appendix I.

The success of the redesign is dependent upon enhanced mail preparation at USPS Retail Units, Bulk Mail Entry Units, Plants, as well as by our mailers. The Postal Service has already started implementing the new mail preparation process at Retail Units, Bulk Mail Entry Units, and Plants across the country. It is important to engage the mailers to do the same. The integrity of the separations will facilitate more efficient and service responsive network movements to downstream processing facilities, resulting in significant service improvements.

The Postal Service is requesting the mailers to make at most three separations:

1. Local NDC service area
2. No more than 2 Network NDC split(s)
 - Multiple splits required for four sites to facilitate directional dispatches.

The directional requirements will vary based on origin entry location and destination as shown below:

NDC	Separation A	Separation B
NDC CINCINN OH 45900	NDC PITTSBURGH PA 15195	NDC DES MOINES IA 50999
NDC CHICAGO IL 60808	NDC PITTSBURGH PA 15195	NDC DES MOINES IA 50999
NDC ST LOUIS MO 63299	NDC MEMPHIS TN 38999	NDC MEMPHIS TN 38999
NDC SAN FRAN CA 94850	NDC SEATTLE WA 98000	NDC LOS ANGELS CA 90901

Following the separations defined above, allows for quick and efficient mail flow from origin plants to the proper network facility, either the Tier 1 or Tier 2 NDC. Thus reducing transportation cost, unnecessary handlings, and improving cycle time.

The mail volume can still be entered at the same entry points as today, for example Tier 1 Philadelphia NDC. Instead of that mail being processed at Philadelphia NDC, it can be cross-docked to the outgoing processing facility, Tier 2 New Jersey NDC. If the mail is not separated prior to entry all the volume will need to be worked at the Tier 1 NDC, delaying dispatch times, or may potentially flow to the Tier 2 sites creating a service issue for the mail that must backflow to the Tier 1.

The Postal Service is currently evaluating potential mailing standard and label list changes to enable these separations. In the meantime Customer Supplier Agreements (CSA) should be established. The CSA's should include arrival time, day of week, facility, mail class, separations, ZIP Codes, container labels and placarding requirements.

The NDC concept has already improved service and transportation utilization by over 15% in the Northeast corridor. The NDC redesign will yield significant service improvement nationwide and help reduce cost creating a viable network for years to come.

Appendix I

Tier 1	Tier 2	Tier 3
DENVER	DENVER	DENVER
LOS ANGELES	LOS ANGELES	DENVER
SAN FRANCISCO*	LOS ANGELES	DENVER
SAN FRANCISCO*	SEATTLE	DENVER
SEATTLE	SEATTLE	DENVER
CHICAGO*	DES MOINES	DES MOINES
CINCINNATI*	DES MOINES	DES MOINES
DES MOINES	DES MOINES	DES MOINES
KANSAS CITY	DES MOINES	DES MOINES
SAINT LOUIS*	DES MOINES	DES MOINES
ST PAUL	DES MOINES	DES MOINES
DALLAS	DALLAS	MEMPHIS
GREENSBORO	GREENSBORO	MEMPHIS
SOUTHERN	GREENSBORO	MEMPHIS
JACKSONVILLE	JACKSONVILLE	MEMPHIS
ATLANTA	MEMPHIS	MEMPHIS
MEMPHIS	MEMPHIS	MEMPHIS
SAINT LOUIS*	MEMPHIS	MEMPHIS
NEW JERSEY	NEW JERSEY	PITTSBURGH
PHILADELPHIA	NEW JERSEY	PITTSBURGH
SPRINGFIELD	NEW JERSEY	PITTSBURGH
CHICAGO*	PITTSBURGH	PITTSBURGH
CINCINNATI*	PITTSBURGH	PITTSBURGH
DETROIT	PITTSBURGH	PITTSBURGH
PITTSBURGH	PITTSBURGH	PITTSBURGH

* Denotes directional dispatch