

MTAC 143 Meeting Minutes from 9/7/2011

- 21 guests where on the telecom.
- List of participates that identified themselves:
 - Joe Bailey
 - Susan Pinter
 - Phil T.
 - Deb Damore
 - Mury Salls
 - Steve K.
 - Lee Angelelli
 - Beth Bigelow
 - Erv
 - Annitta Pursely
 - Garrett Hoyt
 - Laine Ropson
 - Lisa Bowes
 - Martin McGuire
 - Steve Colella

- Steve Colella wrote an email documenting some mail industry's Streamline Acceptance concerns regarding MTAC 143's approach. Garrett categorized the Steve's issues into 5 questions:
 1. How where the pilot sites selected?
 2. Explain the mapping process?
 - How does this mapping process differentiate from the previous mapping processes?
 - Why will this mapping process identify SA benefits for the USPS and mail industry?
 3. Will other Workgroup members be able to participate in the Mapping process at the selected sites?
 4. What's the timeline of the mapping process?
 5. Early Adopters/Benefits
- Laine Ropson asked -> what's the concept of MTAC 143? What's USPS trying to accomplish? Is MTAC 143 premature?
- Mailers are frustrated with the new direction of MTAC 143. Mailers feel there's a sworn of secrecy between the selected pilot mailers and USPS. Mailers feel USPS will only tell them select information.
- What's the problem that the MTAC 143 workgroup is trying to solve?
- What are the requirements to participate in SA? Do mailers have to be 100% FS to participate in the program?
- Very few mailers production 100% FS mailings out of their facilities. How's SA going to work non-FS mailings? What's the business processes/entry channels USPS is going to use to accept/verify these types of mailing?
- Industry is concern about SA assessment penalties. SA assessments are causing a lot of anxiety amongst mailers and resistance to SA business model. This topic is the #1 topic mailers would like to discuss.
 1. Mailers and USPS need to discuss mail error/quality thresholds.

- Mailers are worried they will need to hire more resources to spend time managing the SA reports to identify problems, determine who's at fault, and dispute claims or assessments due to errors not caused by them.
 1. What's the SA business model to assess the correct party for errors found in a mailing involving multiple parties?
- Mailers would like for USPS to explicitly state – what are the USPS SA goals? What's USPS trying to accomplish? Remove DMU clerks/labor hours? Whatever the USPS SA goals are – they need to be quantified so mailers can determine SA ROI for mailers.
- Steve Colella asked Bob Rosser - what improvements/benefits did USPS find at IWCO? Did they uncover new problems? If so, what did you observe?
- Bob Rosser responded – USPS made a lot of investments in FS/Service Performance measurements. USPS is documenting their findings.
 - The USPS team observed the clerks actions/problems -> documented potential future processes/services using FS mailings and benefits to mailers like avoid the up front process to ensure revenue -> allow mailers to dispatch/mail 24 hrs a day and dispatch full trucks, etc.
 - I think one topic MTAC 143 needs to discuss is -> how will USPS deal with the thresholds.
 - I can assure everyone - the data the USPS is collecting on every mailer -> the technologies USPS has deployed -> SA can happen sooner than later.
- Extensive process mapping occurred already at some facilities. How's this mapping different?
 - USPS wants to see how mailers operate -> how USPS interacts with mailers -> identified USPS obstructions imposed on the mailers -> to determine how to optimize/streamline the acceptance/verification process. Different end game.
 - USPS goal is to reduce the cost of acceptance/verification. Having unique IMbs on mail artifacts allow USPS to perform new functions or change processes, close/realign resources.
 - Is USPS looking to remove MERLINS?
 - If the new functionality allows us -> yes we would.
- How will small mailers producing non-FS mailings be verified/accepted in the new BMA business model?
 - There's a separate mapping process taking place. Some of these solutions are discussed in the Executive Summary doc that USPS distributed earlier this summer.
- Are there any mailers that are 100% FS? USPS told IWCO – 80% of there mailings are FS mailings?
- SA is always being presented as FS? There's opportunity to improve mailer/USPS BMA interactions/processes other than FS mailings. What's USPS approach to identifying these potential areas of improvements and solutions?
 - USPS needs to layout the reqs to participate in SA? Like if mailers are required to uniquely barcode all mail artifacts.
- If mailers are uniquely identifying mail artifacts and submitting eDoc to P1 -> mailers will go FS to receive the discounts.

- FS penalties – Steve Colella was going to pull the plug on FS mailings if the FS assessments were going into effect.
 - Pritha states don't worry about the assessments.
 - Steve C. said his shop uses people -> who make mistakes. Mailers do make mistakes – they don't want to be assessed big fines after the fact – that might put them out of business.
- While the group is sitting idle as the USPS team is out mapping current acceptance and verification activities occurring at selected facilities – the group could talk about assessments or other topics.
- Members are upset about the new direction – put the group aside – like a dark mushroom - waiting until the USPS LSS dumps on them.
- The group needs to get back together -> group has put some topics together to restart the group discussions again.
- The mail industry would like to know the mailer profiles for each selected pilot site so they know where their company sites fit into the SA business models and expected processes/solutions.
 - Mailers want USPS to give them a sales pitch: high level summary of each selected pilot site, SA processes/business rules/assessments, and benefits.
 - Marty responded - USPS is planning to report on each selected mailer's VSM results, mailer profile, USPS mapping approach, problems identified, data analysis results, and future improved solutions. USPS will need to clear the SA VSM pilot results through each company before sharing it with the group.
- Members feel there's a big transparency problem with USPS communicating the SA VSM results to the MTAC 143 workgroup. Group doesn't know what's going on at the selected mailer VSM sites. Why those companies were selected? Members want a list the different mailer sites selected for the VSM process.
 - Marty thought they already discuss the mapping process on a previous meeting.
- Laine – has USPS already agreed internally to do SA?
 - What happens if the data analysis shows SA is not worth doing? What happens next?
- Mailers are concerned USPS is not looking at their costs.
- Phil -> the purpose of VSM the current process is to identify waste and areas of improvements.
 - USPS needs to look at the best improvements - results may not conclude to take DMU clerks out of mailers plants but instead make process more efficient.
- Why isn't the MTAC 143 workgroup talking about the high level overview of new processes?
- Is the end goal -> USPS wants to cut labor costs in acceptance?
 - Joe -> With the USPS network optimization taking place -> closing of 325 USPS facilities. Why is USPS focusing on acceptance? Versus other areas affected by the closing of USPS processing facilities? What's the least disruptive process to improve with the biggest ROI/improvement gains? If SA only offers a potential is only 1% - it might not be a good area.
- Susan committed – ever since Arandell started producing FS mailings -> they went from having 2 acceptance clerks to 6 clerks a day.
 - This increase in acceptance activities is not due to SOX compliance.

- More clerks are required because of the FS scanning activities.
- Bob Rosser made the commit – for those mailers already in FS -> it won't cost mailers much more to move into SA.
 - Bob Galaher committed – SA might increase the costs indirectly for customers who aren't in FS -> setting up future barriers to prevent mailers to go into FS.
 - You don't know the reporting capabilities and resources to manage the assessment process.
 - Initially this program was called Seamless Acceptance which was defined as – total lights out/total automation. Then USPS called it Streamline Acceptance – where mailers don't need to be fully automated to participate. What's the value of the VSM going to produce? Is it streamline (hybrid of auto/non-auto processes or seamless/total automation)?
- Steve Colella is concerned he will need to hire a full-time clerk -> pay \$45,000 to monitor reports -> create audit trails -> to recover \$15,000 -> cheaper to pay fine -> that's why we drop out of FS.
- Mury made the statement - if this is how the industry feels about SA -> and we even haven't discussed Steve Colella's initial 5 questions and we're 45 mins into the call -> maybe the scope is too broad -> MTAC 143 is premature -> I feel the group needs to reduce the scope into smaller parts.
- Is VSM process a reactive action to identified USPS/MAILER benefits?
 - VSM was to look at all the interactions between clerks and Mailers to identify waste.
- Steve K said he never seen a process/system build from the ground up with a committee. USPS needs to put a strawman together.
 - Phil, that's why the VSM process is being conducted.
 - Mailers would like to see the VSM focus on all acceptance/verification activities for all mail product types.
 - What is USPS trying to find out using VSM?
 - What's the problem MTAC 143 trying to solve to begin with? Is this the biggest problem Postal Service is facing? If the VSM results show no benefits – will USPS still push forward with SA?
- Bob Galaher mentioned – USPS and mailers should take into consideration the impacts of the USPS network optimization (closing of 325 facilities) has on the SA activities.
- Bob R. – the leadership needs to allow the USPS to go thru the VSM process to identify waste, analyze data results, and determine improvements (low hanging fruit/long term) benefits.
- Mailers wanted to know how long does it take to VSM a mailer's current and future processes. If another mailer decides to come on board to SA -> how long will it take USPS to VSM their facility?
 - Marty doesn't feel USPS needs to map all mailers' sites -> just the different mailer mailing business environments -> to develop business models that the different mailers can fit into.
 - The workgroup would like to see all different segments being covered in the SA VSM process. Steve would like to have USPS give another presentation

on the VSM process used at the selected mapping sites and all the mailer sites selected for the VSM.

- Garrett – said the MTAC 143 leadership would like to have a meeting with the workgroup to recap this meeting and answers to Steve C’s questions.
- Garrett – said the leadership needs to set an agenda and stay focus on the agenda during meeting. Questions raised will be documented on an issues list and discussed in future meetings.
- Leadership should discuss Steve’s 5 issues as the first topic at the next meeting.
- Laine said reopening the MTAC 143 meeting in redefining the MTAC 143 scope. Mury state it correctly -> we need to narrow the scope.
- Need to develop an issues list – to document issues -> to be discussed at future meetings.
- Steve C’s responses should be sent in an email to the group ahead of time -> to be reviewed and discuss feedback so not to take up the whole meeting.