

**MTAC Focus Group Meetings
February 15, 2012**

Preparation & Entry (Operations)

Key Comments and Questions

Dave Williams, VP, Network Operations, USPS

Todd Black, MTAC Industry Leader for Entry and Preparation

USPS Industry Engagement & Outreach Facilitator for Preparation & Entry: Margaret Pepe

FG 1: First-Class Mail 12:20 pm – 1:15 pm

Sharon Harrison, MTAC Industry Leader for First-Class Mail

USPS Industry Engagement & Outreach Facilitator for First-Class Mail: Lewis Johnson

Introductory comments:

USPS overall goal: integrate operations in an effort to service industry needs. Also committed to the new structure and driving performance.

Industry discussed the benefits of the new format – small, focused groups that allow candid conversation with decision-makers has been very successful for the Periodicals Operational Advisory Committee (POAC). Take actionable information, develop impact statements, and create small work groups to “dive deep” into the area of concern.

Discussion overview:

- Want to make sure mailers are involved in mail preparation discussions
- Great idea to simplify mail prep: fewer trays = fewer pallets
- Discussion around rates: SCF, AADC

Discussion notes:

1. Mailers should be involved in mail preparation discussions on a long-term, open basis. Recommendation: use the Area VP Focus Group meetings and include First-Class Mail so they are aware of and can provide support for issues involving outgoing mail, remittance, and return mail.
2. 3-digit pairs (1-, 2- and 3-day) should be put on a map, including today's pairs and pairings for the future. This map should be put on USPS website in an interactive format.
3. Important to know what impact the AMP studies will have on Remittance Mail.
4. Labeling lists need to be revisited to support necessary changes to labeling list make-up/content. How and when this is communicated to mailers is important.

5. Mailers need to know at least 12 to 18 months in advance regarding FCM for FSS.
6. The findings of WG # 135 (*Transportation Management Systems*) should be revisited. Involved scanning containers and nesting. For overnight service standards, mailers need to know what the critical entry times (CETs) will be. Could also affect mailers' staffing requirements.
7. Discussion around IMb Full Service automation portion of mail and possibility of expanding IMb use on all mail. Some industry members indicate they have assessed this, determined there is value, and currently do IMb on every mail piece. Also discussed clarification of what "full service" means - whether it would be better to include the process in the back end, multi statements, potential issue of mixing mail pallets, exclusion of unique rules that might help industry, attributes to determine postage rates.
8. Discussion around maximizing capacity, HUB network and CSA. As there are fewer facilities, expect to have fewer separations.
9. Discussion around CETs and the operating window, which is being expanded to 16-20 hours to maximize capacity, production and service.
10. Discussion around remittance mail and the wholesale remittance mail – plans to extract mail in an effort to advance it in the system?
11. No change to BMEUs at present – would be given notice of any future changes.

Action Items:

- Conduct teleconference to discuss some of the key issues, including label list, synchronizing opportunities and networks, effective communications.

FG 13: Periodicals 1:25 pm – 2:20 pm

John Stark, MTAC Industry Leader for Periodicals

USPS Industry Engagement & Outreach Facilitator: Ernie Harris

Discussion overview:

- Introductions
- Overview on Focus Area (Dave)
- Industry Concerns (Industry Members)
- Network Rationalization Update (Dave)
- Wrap Up

Discussion notes:

1. Industry reiterated concerns about service for daily and weekly Periodicals and impact of earlier CETs on time-sensitive publications. Specific industry concerns

were around the daily, weekly periodicals margin to meet CET which may cause publications to either close editorial on Thursday vs. Friday, thus making the product less valuable. It was indicated that non-FSS CET needs to be earlier – how much earlier, not sure as yet, but it must be a solution approach. Discussion around the bundle sort and mixed pallet and window of opportunity. Concerns around 5-day delivery and noon Sunday CET and how it would impact competitive edge in the industry.

2. Network Optimization industry concerns - cost and Service impact from moving 10 FSS machines; ability to meet service standards with larger geographic responsibilities; impact on FAST appointments.

An update on network rationalization was provided including the PMG's commitment to no facility closures/consolidations until after May 15, 2012; nationwide stakeholder meetings have been and will continue to be held; AMP packages are being readied, public announcements will soon be made, evaluation of Federal Register input is ongoing; there will continue to be overnight service standards for Periodicals in some cases; FSS entry times will not change, non-FSS site entry times will need to be earlier, nothing is finalized as of now.

3. Discussion around the area hub concept, which is designed to drive efficient transportation. Currently USPS dispatches scheduled trips ½ full – need to drive down the number of miles and aim for full loads. Hubs are not yet in place – periodicals will be able to drop directly into the hub. Collection hubs will have consolidated loads from retail units and blue collection boxes. It will be full-load containers that are cross dock operation. Mail is not worked at the hub.
4. 89 FSS machines deployed in 2011 led to service challenges – there was a learning curve for technicians – updated training has improved that – getting better at keeping machines running. FSS diagnostic maintenance, repair time, engineering, performance are all improving.
5. Origin Mixed ADC Pallet Update/Discussion

Action Items:

- Suggestion: this MTAC focus area should generate new workgroups to benefit Periodicals and USPS.
- Suggestion: this focus area replace POAC.
- Request consideration of adding a 250-lb 5-digit pallet at cost effective rate.
- Request that FSS pricing also be discussed.
- Would USPS consider adjusting high customers' CET?
- Bundle processing – APBS feedback on bundle damage/tumbling problem; update on automated bundle handling investments (BFP/AFP)

FG 9: Standard Mail 2:30 pm – 3:25 pm

Wanda Senne, MTAC Industry Leader for Standard Mail

USPS Industry Engagement & Outreach Facilitator: Kathy Kamen

Discussion notes:

1. POAC (Periodicals Operations Advisory Committee) model used conversations rather than presentations, the content was rich, and actionable learnings came out of that group. The MTAC Focus Group tracks hope to accomplish the same.
2. Regarding network rationalization and potential facility closing/consolidation, no major implementation during holiday/peak mailing season. Industry defines holiday season as mid August to the end of the year (and can vary by class of mail), thus concerned with timing of closings because USPS defines holiday season as Sept through EOY.
3. Regarding implementation: if service standards change, there will be one structural change at a time. Each processing location will start implementation in a different way depending on specific circumstances (gaining or losing facility, consolidation, etc.). Implementation time will vary – sites will determine on a case-by-case basis how long they need. Transition includes moving equipment, moving fleet, changing transportation contracts, electrical upgrades, facility modifications, movement of people, label lists etc. During transition, will synchronize mail movement to ensure minimum distractions and successful consolidation.
4. Major plant or equipment failure will not cause problems even if more processing is done at fewer plants, as there are continuity of operations plans. There is capacity available (excess equipment and building infrastructure).
5. Discrepancies between number of AMP plants being studied and what was announced in Sept 2011 is result of “moving parts” – some AMP studies were in process prior to Sept 2011.
6. Mail redirects – lead time vs. mail redirect:
 - In January the policy changed to updating labeling lists 6x/yr
 - Working to stabilize system issues with Postal One
 - Schedule is posted on RIBBS
7. FAST window – number of dock doors and the platform threshold being evaluated to determine the number of trips a facility can handle. Working to establish business rules that are capacity-driven.
8. Discussion around e-induction / seamless acceptance.
9. Discussion around FSS issues involving tearing covers and pricing of products to zone rates. USPS working to stabilize machines and volume on machines.

10. Realignment to Mail Transport Equipment (MTE) – as buildings shut down, more MTE will free up. Ability to handle MTE stored outside – 5-6 hours extended to 16-20 hour operating window – machine platforms process more mail more quickly – not storing it or waiting for it to start up a machine. Can use end-of-run data to predict MTE needs – plan to have enough space and capacity to handle it.

Action Items:

- Are marketing parcels a USPS process category?
 - Postage statements and PS 8125 don't match.
 - Industry asked for business rules on stock – binding, pages, weight etc. Agreed that a planning guide for industry would be more beneficial than creating rules.
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FG 13: Package Services 3:35 pm – 4:30 pm

John Medeiros, MTAC Industry Leader for Package Services

USPS Industry Engagement & Outreach Facilitator: Ruth Southworth

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