



UNITED STATES
POSTAL SERVICE

MTAC

Mail Prep & Entry Focus Group

February 20, 2012



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Mail Prep & Entry Focus Group

First-Class Track

February 20, 2012

- First-Class Track
 - Action Items from Last Meeting
 - Workgroup Updates
 - MTEOR Update
 - Mail Prep & Entry Steering Committee Update
 - Remittance Mail – Earned Value Initiative & BRM SOX Compliance Overview
 - Network Rationalization Open Discussion
 - Mail Optimization Matrix Brainstorm
 - Open Discussion

- Action Items from Last Meeting
 - Distribute material/link on how to sign up for BSN eService ✓
 - RIBBS updated format implemented ✓
 - Hurricane Sandy Feedback ✓
 - Network Rationalization Mail Move & Labeling List Communication ✓
 - Educate plants on MTE prep standards ✓
 - Update on Remittance Earned Value Trial ✓
 - Update on SOX BRM policies ✓
 - Mailflow Optimization Matrix (MOP)

Workgroup Updates

- WG 152 – Explore Moving to 5-Digit File Structure
- WG 153 – Mailer MTE Inventory Tracking and Reporting Process
- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)

Explore Moving to 5-Digit File Structure Executive Summary, Primary Benefits and Primary Costs

The purpose of the work group was to review, assess, and define cost/benefit analysis of an architectural change of distribution separations and entry to a 5-digit structure from its current parameters. The work group was tasked to explore the feasibility of modifying systems (mailer and postal) and data files, such as labeling list, mailer direction file, to better align with the mail processing network.

It is the recommendation of this work group to not proceed with moving to a 5-digit file structure at this time. If the USPS does determine to move forward at some future point, it is the recommendation of this work group that significant lead time be provided (2+ years) to ensure adequate time is given to make the necessary system changes.

Primary Benefits:

- Network Flexibility: Ability to assign stations to plants based on distance and processing capacity rather than the first 3-Digits of their ZIP codes.
- General Improvements: More refined service standards and service performance evaluation; and ability to adjust CETs.
- Single Label List File Format: All label list tables could potentially have the same record format/structure so that a single table could work for all label lists.

Primary Costs:

- System Redesign: Major changes would be required for many Postal systems and most industry members see it as a significant or major investment.
- Zone Chart Matrix Explosion: Matrices that currently house records for 3-Digit to 3-Digit pairs will grow in size creating huge files (hundreds of Gigabytes).
- Training and Quality Control: Increased complexity of ensuring quality control requiring more training and more system changes on quarterly updates.

Explore Moving to 5-Digit File Structure Survey Results

WG ranking level of benefit from 1 to 10:

- 10: Significant benefits to be gained
- 5: Modest benefits to be gained
- 1: Minimal benefit but worth noting

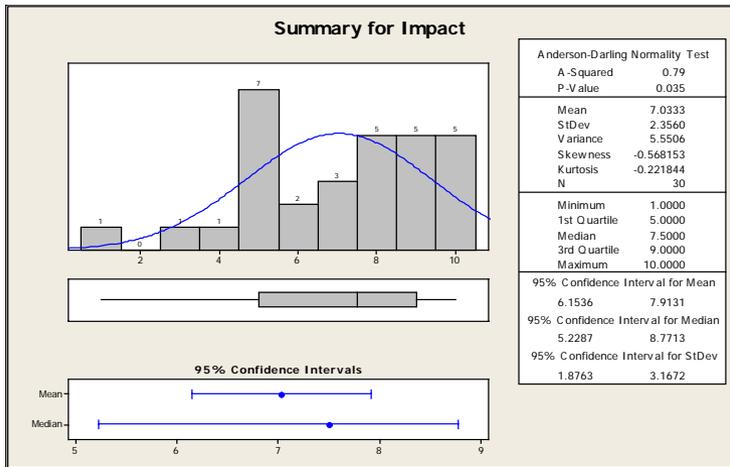
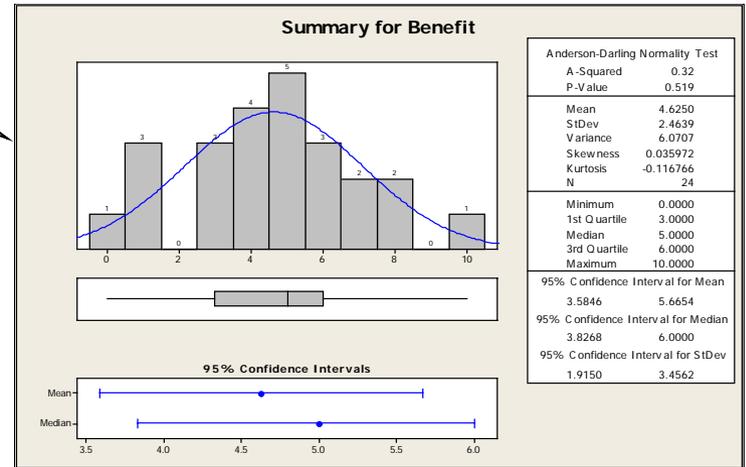
WG ranking level of impact from 1 to 10:

- 10: Significant impact
- 5: Modest impact
- 1: Minimal impact but worth noting

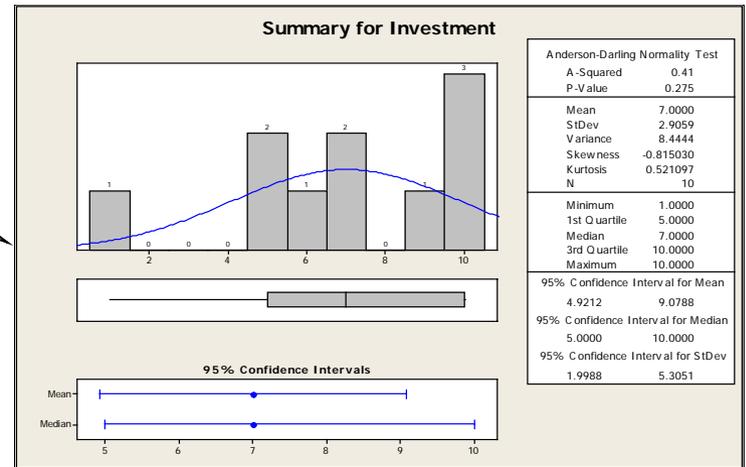
WG ranking level of investment from 1 to 10:

- 10: Major investment, 6+ months or more of system changes and testing
- 5: Significant investment, 3 month project to account for system changes and testing
- 1: Minor change, 1 to 2 week project to make and test for the necessary changes

Benefit:
Average: **4.6**
Median: **5.0**



Investment:
Average: **7.0**
Median: **7.0**



Impact:
Average: **7.0**
Median: **7.5**

Mailer MTE Inventory Tracking and Reporting Process

- Discussed and reviewed mailer inventory processes currently in use
- Determined the optimal level of MTE inventory tracking (piece or pallet level – mailer's choice)
- Determined the optimal frequency of MTE inventory reporting (weekly)
- Identified 3 inventory tracking tools for testing by work group
- Modified tools based on feedback
- Conducted testing with work group team

Next Steps:

Evaluating testing results

Modify tools based on feedback

Anticipate May completion

Communication processes and procedures during emergency situations

- **Workgroup Co-Leaders:**
 - Industry – Lisa Wurman; 215-997-5339 or lisa.wurman@qg.com
 - Postal – Dale Kennedy; 202-268-6592 or dale.e.kennedy@usps.gov
- **Build on learnings and feedback from Hurricane Sandy**
- **Participants needed – interested parties notify Lisa or Dale**
- **Kickoff webinar March 1, 2013**

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

- Create efficiencies: Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.
- Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.
- Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

- Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.
- Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.
- Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow Optimization Matrix (MOP) - Flats / DPS Flow

		OPTIMIZATION OBJECTIVES		
		MINIMIZE CONTAINER HANDLINGS	MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
		1. Increase FSS Facility Entry	2. Increase DPS/FSS Pallet Prep	3. Increase DPS Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	Objective -->			
	Vehicle -->			
	1. Mailing Standards / BMA		(1) Change max # pallets printers can stack when loading (2) Make FSS Container Prep Required (3) Remove option to place FSS bundles on non FSS pallets	(1) Make FSS Bundle Prep Required (2) Make FSS Container Prep Required (APPS = Breakage) (3) Change STD 16oz max to align with PER Mach weight
	2. Prep Rules / Parameters	(1) Node based Presort	(1) lower pallet weight min for all Dest. Entered pallets (2) Change PER/STD mixed class comail prep rules to better incent action (3) re-optimize container prep rules for AFP process (4) node based presort	(1) Require non-compensated bundles (2) Change PER/STD mixed class comail prep rules to better incent adoption (3) Node Based Presort
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Decrease Non Dest. Entered pound Incentive (ad & edit)	(1) Increase Dest. Entered FSS Scheme Pallet incentive (2) Increase Dest Entered FSS Facility Pallet incentive (3) Lower CRRT Bundle / 5D pallet price	
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology	
7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Miminize unreadable barcodes (3) Improve packaging strength	

MTEOR Update

- Phase 2 MTEOR enhancements are designed to:
 - Increase transparency between USPS and Mailers
 - Improve Mailer and Plant MTE planning
 - Expand MTEOR's scope to a broader audience
- Plant MTE ordering begins April 15th
- September 30 system ready for mailers obtaining MTE from plants
 - Pilot with mailers from 4 plants
 - Phased on-boarding

Snapshot Inventory Reporting Begins April 15th

- Allows USPS to gain visibility to better understand the location of inventory and the needs of our customers
- Decreases unnecessary spending and reduces MTE cost
 - USPS invested \$225 million in FY12-13 purchasing MTE
 - USPS must replace missing or lost MTE to meet Mailer needs
- Enables Mailers to better understand their current inventory and more efficiently plan for upcoming MTE needs
- New MTEOR User agreement



Mail Transport Equipment Ordering System Inventory Report

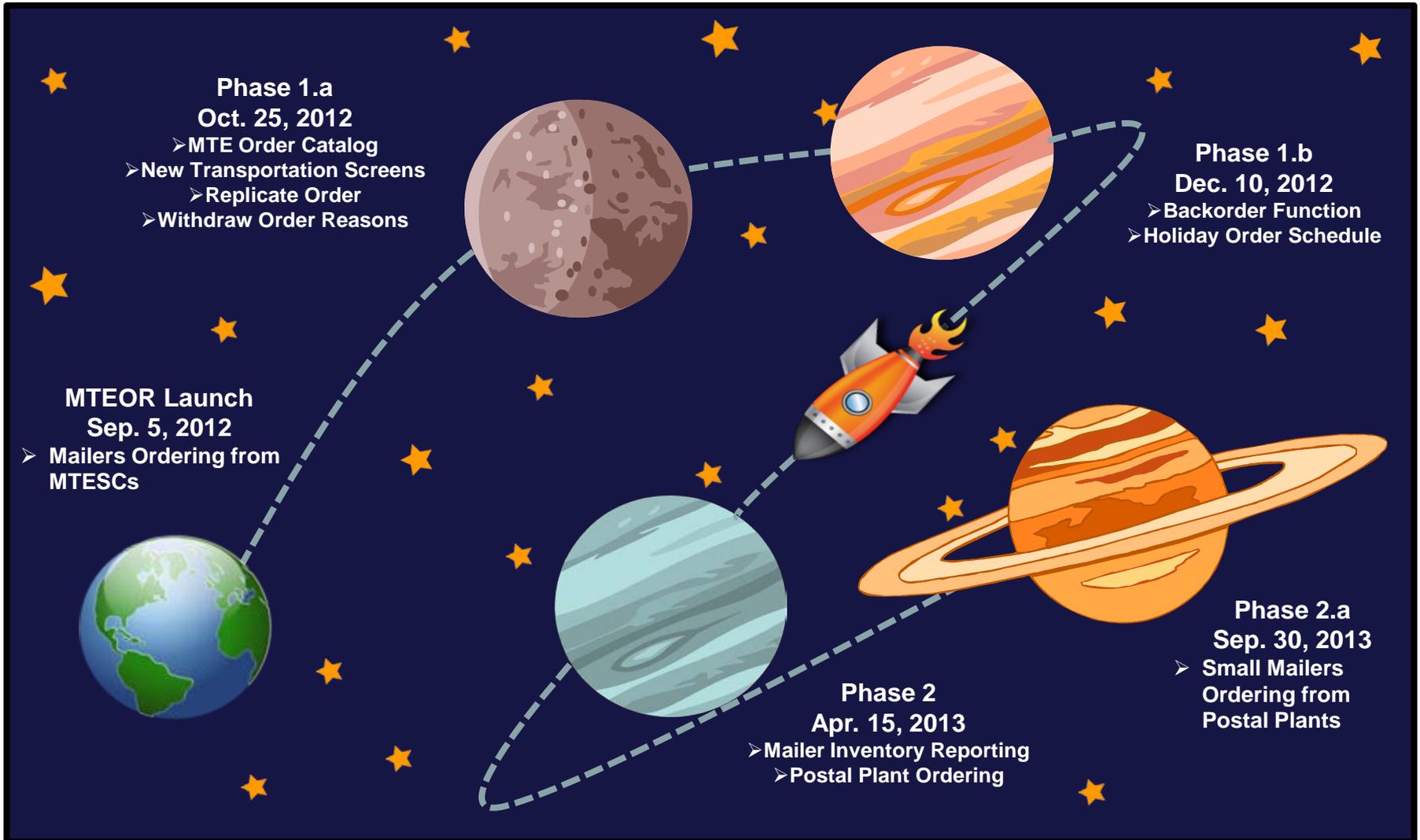
Reporting Guidelines

- Inventory must be reported each Thursday by 11:59 PM
- Report all trays, tubs, sleeves, sacks, and pallets that are awaiting use in production
- Report all USPS rolling stock

Reporting guidelines

Report by piece or
by pallet

MTE Type	Pallets	Pieces	Piece Value	Total Pieces	Total Value
EMM TRAY	<input type="text" value="333"/>	<input type="text"/>	\$3.00	39,960	\$119,880.00
EMM SLEEVE	<input type="text"/>	<input type="text"/>	\$0.65		
FLAT TUB	<input type="text"/>	<input type="text"/>	\$5.00		
FLAT TUB LID	<input type="text"/>	<input type="text"/>	\$1.00		
HALF TRAY	<input type="text"/>	<input type="text"/>	\$2.00		
HALF SLEEVE	<input type="text"/>	<input type="text"/>	\$0.45		
MM TRAY	<input type="text"/>	<input type="text"/>	\$2.00		
MM SLEEVE	<input type="text"/>	<input type="text" value="333"/>	\$0.65	333	\$216.45
PALLET - PLASTIC	<input type="text"/>	<input type="text"/>	\$0.00		
PALLET - PRESSWOOD	<input type="text"/>	<input type="text"/>	\$13.00		
PALLET - WOOD SLAT	<input type="text"/>	<input type="text"/>	\$0.00		
PRIORITY MAIL SACK	<input type="text"/>	<input type="text" value="24"/>	\$7.00	24	\$168.00
SEMI-CLEAR SACK	<input type="text"/>	<input type="text"/>	\$0.85		
APC/GPMC	<input type="text"/>	<input type="text"/>	\$0.00		
WIRE CONTAINER	<input type="text"/>	<input type="text"/>	\$0.00		
HAMPER	<input type="text"/>	<input type="text"/>	\$110.00		
OTR	<input type="text"/>	<input type="text"/>	\$200.00		
				40,317	\$120,264.00



Mail Prep & Entry Steering Committee Update



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- Intelligent Mail® Services
- Address Quality Products
- Business Mail Acceptance
- Certifications
- Operations
- Industry Outreach
- Industry Outreach**
- Mail Prep & Entry Steering Committee**
- Major/Minor Release Schedule
- Move Update
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Mail Service Updates

Mail service updates are provided to the mailing industry so mailers are aware when service is suspended at Post Office facilities for any reason, including natural disasters, such as floods or fires. Updates are made in real time, and these pages are updated frequently. For details of the current impacted areas, [click here](#).

Intelligent Mail® Services



eDoc and Full-Service Authorization for Software Vendors

The Postal Service has launched a voluntary process for software vendors and developers to authorize their product(s) in the Test Environment for Mailers (TEM). To get started, [click here](#) to review the Mail.dat or Mail.XML guides and access the on-line Enrollment Tool.

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Mail Service Updates

New Drop Down Box

IMPORTANT UPDATES

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Numerous USPS publications, forms, brochures, etc. currently provide the existing address for the NCSC – all of which will need to be updated, including those on *usps.com* and other postal websites. Telephone numbers for all NCSC personnel and program support groups will remain the same.

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1-800-238-3150



Mail Prep & Entry Steering Committee

[Printable View](#)

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A goal of the Committee is to assess and prioritize short-term solutions that can be implemented quickly, allowing for incremental changes; while also identifying and strategically considering forward-thinking, long-term solutions.

Contact Information:

Mail Preparation and Entry Steering Committee
Phone: 202-268-7979
Email: dane_a_coleman@usps.gov
Page updated: 12/18/2012

Important Links

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Lean Six Sigma tool used to prioritize ideas based on their potential benefit as well as effort to implement

[Industry Outreach](#)

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- Business Mail Acceptance
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- 75 ideas submitted to date
 - 16 ideas closed
 - Out of scope, withdrawn or re-assigned
 - 11 ideas completed
 - Postal Bulletin articles and DMM revisions announced
 - 29 ideas included in Benefit/Effort matrix
 - 19 ideas need Change/Improvement Analysis template submitted

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin Article	DMM Revision Effective
OMX/Mixed ADC Require separation / containerization of OMX (L201) and MADC (L009); required at 100 lbs if palletizing	6/29/12	9/24/12	10/18/12 Optional	1/27/13 Required
Single Piece Unit Handling & Containerization FCM and STD single piece price trays may be placed on existing pallet level; Origin Entry (FCM) or MXD NDC (STD)	10/23/12	12/20/12	8/23/12 Optional	9/4/12 Optional 1/27/13 Required
Change 24 Piece Sack Rule for Periodical Increase minimum requirement to 72 pieces; optional at 24	NA	NA	11/1/12	1/27/13

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin Article	DMM Revision Effective
<p>Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides</p>	NA	NA	10/18/12 Comments closed 12/31/12	3/4/13
<p>DSCF Eligibility Enable DSCF price for 5D (FSS zone) pallet entry at FSS sites</p>	NA	NA	2/21/13	4/1/13
<p>3D/5D SCH vs. 3D/5D trays/handling units Scheme trays must be made before making any 5-digit or 3-digit trays</p>	NA	NA	3/7/13	4/1/13

- Evaluate increasing max PER weight to 24 oz for co-mail pools
 - Affects flats automation environment
 - Would require modifying current CSR
- Explore changing the FSS bundle prep standard from optional to required
 - Goal is to reduce number and cost of handling bundles
 - Understanding impacts to mailers of all sizes is critical

- Continue to develop potential solutions for 29 ideas in Benefit/Effort matrix as applicable
- Decide status of remaining 19 open ideas
- Continue to assign subgroups as needed to move committee work forward
- Continue periodic meetings
 - Webinars and face-to-face meetings
 - Next webinar – March 14, 2013 & April 11, 2013
 - Next on-site meeting – May 14 , 2013

Earned Value Initiative & BRM SOX Compliance Overview



- Registration Begins: January 15, 2013
- Registration Ends: March 31, 2013
- Program Period: April 1 through June 30, 2013



- Validate accuracy of Postal EOR piece counts with customer count
- Tests conducted at the North Metro, Dallas, and Carol Stream P&DCs
- Test participants included 4 major retail remittance customers
- Controlled test Volume @ 20,000 pieces and identified for customer validation
- Aggregate of all tests were within +/- 2% (EOR vs customer counts)

- 3 Live tests using the same participants and mail out of the same test facilities (Sep, Nov, Dec)
- Live tests counts captured by customer and matched against ALT-P counts
- Significant count discrepancies observed
- Operations noted major contributor was from the exclusion of the “Direct” volumes (CIN 167)
- ALT-P adjusted to capture piece counts from origin offices making up the directs using valid op codes
- Count discrepancy reduced to +/- 5%

- **3 KEY CONTROLS**
 - Revenue Recognition
 - Verify that BRM transactions entered into POS1
 - Print/review 3582C prior to mail release
 - BRM Management Overview
 - Management review to ensure authorized method of counting BRM is used (EOR)
 - Management initializes count documentation with revenue in POS1
 - BRM Released Prior to Mgmt Overview
 - Review BRM line items volumes with EOR
 - Reviewed and verified prior to payment

Network Rationalization Open Discussion

Mail Optimization Matrix Brainstorm

Open Discussion



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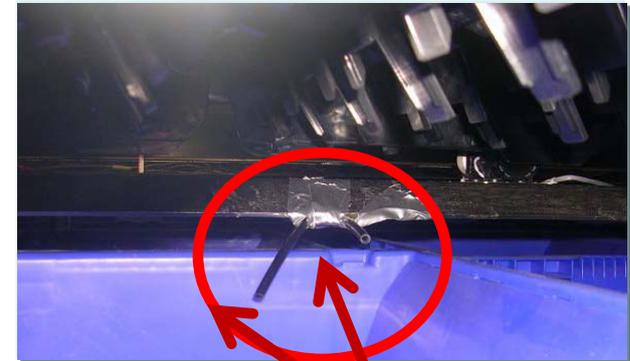
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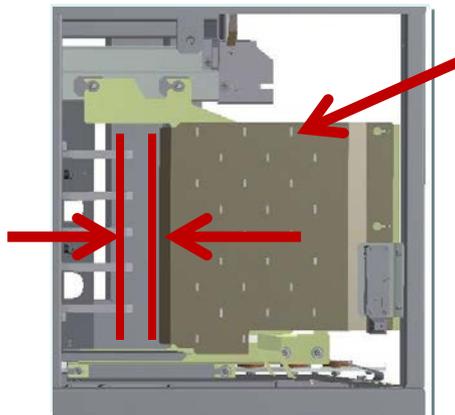
Engineering Technology Update FSS Mail Study

- **Mail Stack Quality at Feeder**
 - Experimenting with additional sensors at Feeder to better control mail stack quality of thin or less stiff mailpieces
 - Experimenting with “softer” acceleration profiles for thin or less stiff mailpieces
 - Engineering tests conducted on various solutions
 - Currently initiating a 16-week Field Test to evaluation solutions to deploy
- **Infeed Line Injector**
 - Field Test Late injection, Small Offset
 - Field Test completed, adding a modified short plate for less stiff mail pieces; another Field Test scheduled March 2013
 - Incorporate change in future SW release (Summer 2013)
- **ITC Unload of RCT**
 - Experimenting with additional sensors at ITC to stop device if mail can be damaged; Engineering tests scheduled in March 2013, Field Test in April 2013
 - Experimenting with different motion profile to improve handling of full spectrum of mail; Engineering tests scheduled in March 2013
- **Mail Stack Quality at RCT Output Tray**
 - Experimenting with different RCT inserts for improve mail stack; new RCT insert designed, prototype being fabricated, Engineering test in March 2013

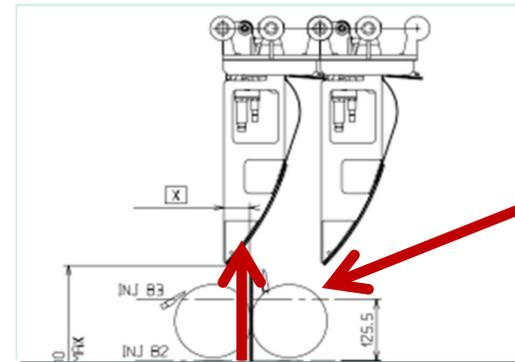
Factors	Level 1	Level 2	Result
Offset	Baseline	Small	Small = Good
Injection	Baseline	Late	Late = Good
Plate	Baseline	Short	Short = Good
Finger	Baseline	One Two	Two = Fair



2 Fingers
(Front View)



Short Plate
(Top View – mini-carousel removed for clarification)



Late Injection
(Top View)

- Good mail stack at Feeder (vertical against the pick-off) resulted in no damage observed

- **FSS SW v3.0.8 - Dynamic Separation Lite**
 - Reduces flyouts and Mail Piece damage from “Separating Fingers” at the ITC Separation
 - Released to Field 11/9/12 (30 days to complete)
 - **All machines installed (Flyouts and damage at ITC Separation reduction >60%)**

- **SERVICE TALKS issued to all FSS Sites to address good stack quality at Prep and at Feeder and to handle foldover/upside down mail pieces during feeding:**
 - FSS SAMP ACT Prep issued 10/19/12
 - FSS Feeder Operation Pass 1 issued 11/23/12
 - FSS Feeder Operation Pass 2 issuing 11/30/12

- **SERVICE TALKS being reinforced by Operations**

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[Contact Us](#) | [Version 2.02 Release Notes](#) | [Privacy Policy](#)



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MEMPHIS TN 38188-1001**

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Network Rationalization Open Discussion

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Mail Transport Equipment Ordering System Inventory Report

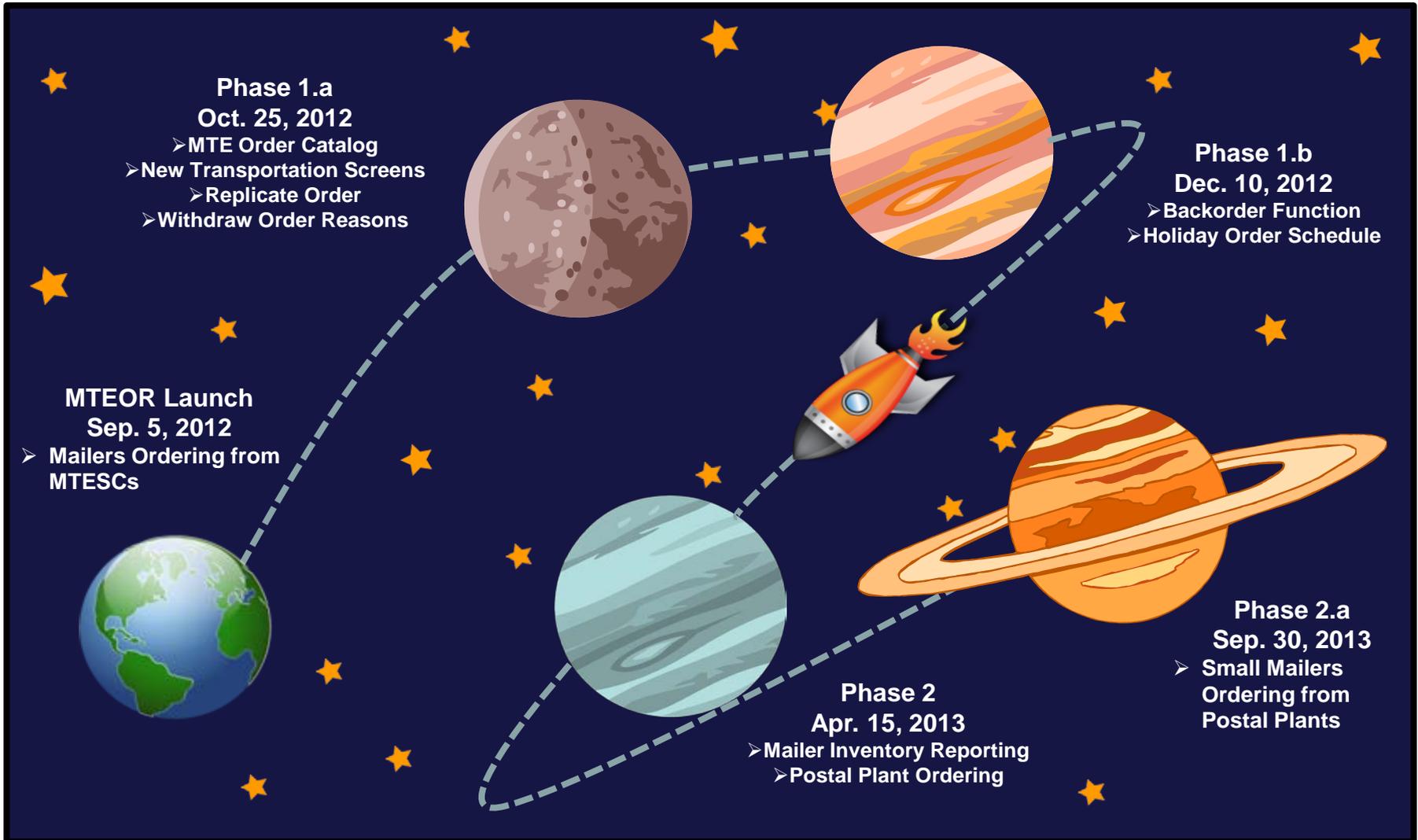
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- Report all trays, tubs, sleeves, sacks, and pallets that are awaiting use in production
- Report all USPS rolling stock

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Report by piece or
by pallet

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PALLET - WOOD SLAT	<input type="text"/>	<input type="text"/>	\$0.00		
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SEMI-CLEAR SACK	<input type="text"/>	<input type="text"/>	\$0.85		
APC/GPMC	<input type="text"/>	<input type="text"/>	\$0.00		
WIRE CONTAINER	<input type="text"/>	<input type="text"/>	\$0.00		
HAMPER	<input type="text"/>	<input type="text"/>	\$110.00		
OTR	<input type="text"/>	<input type="text"/>	\$200.00		
				40,317	\$120,264.00



Workgroup Updates

Explore Moving to 5-Digit File Structure Executive Summary, Primary Benefits and Primary Costs

The purpose of the work group was to review, assess, and define cost/benefit analysis of an architectural change of distribution separations and entry to a 5-digit structure from its current parameters. The work group was tasked to explore the feasibility of modifying systems (mailer and postal) and data files, such as labeling list, mailer direction file, to better align with the mail processing network.

It is the recommendation of this work group to not proceed with moving to a 5-digit file structure at this time. If the USPS does determine to move forward at some future point, it is the recommendation of this work group that significant lead time be provided (2+ years) to ensure adequate time is given to make the necessary system changes.

Primary Benefits:

- Network Flexibility: Ability to assign stations to plants based on distance and processing capacity rather than the first 3-Digits of their ZIP codes.
- General Improvements: More refined service standards and service performance evaluation; and ability to adjust CETs.
- Single Label List File Format: All label list tables could potentially have the same record format/structure so that a single table could work for all label lists.

Primary Costs:

- System Redesign: Major changes would be required for many Postal systems and most industry members see it as a significant or major investment.
- Zone Chart Matrix Explosion: Matrices that currently house records for 3-Digit to 3-Digit pairs will grow in size creating huge files (hundreds of Gigabytes).
- Training and Quality Control: Increased complexity of ensuring quality control requiring more training and more system changes on quarterly updates.

Explore Moving to 5-Digit File Structure Survey Results

WG ranking level of benefit from 1 to 10:

- 10: Significant benefits to be gained
- 5: Modest benefits to be gained
- 1: Minimal benefit but worth noting

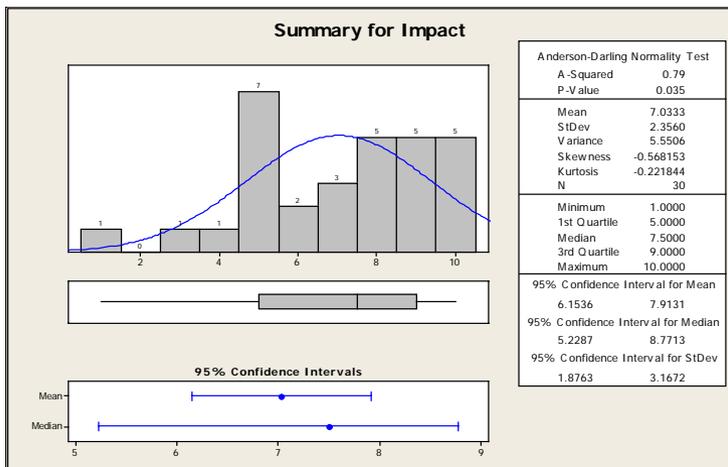
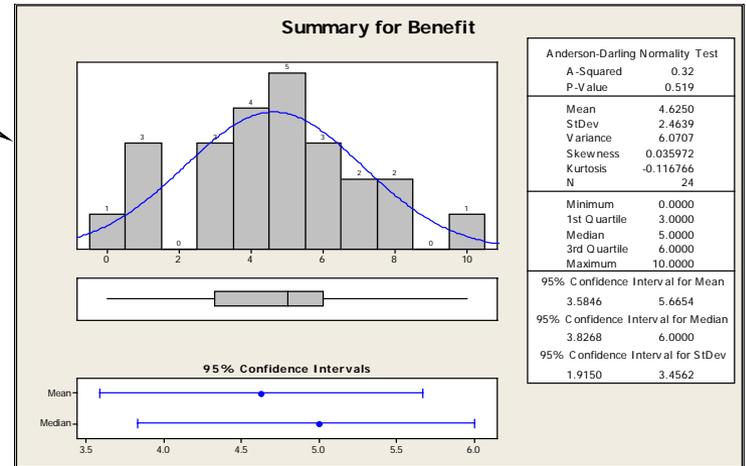
WG ranking level of impact from 1 to 10:

- 10: Significant impact
- 5: Modest impact
- 1: Minimal impact but worth noting

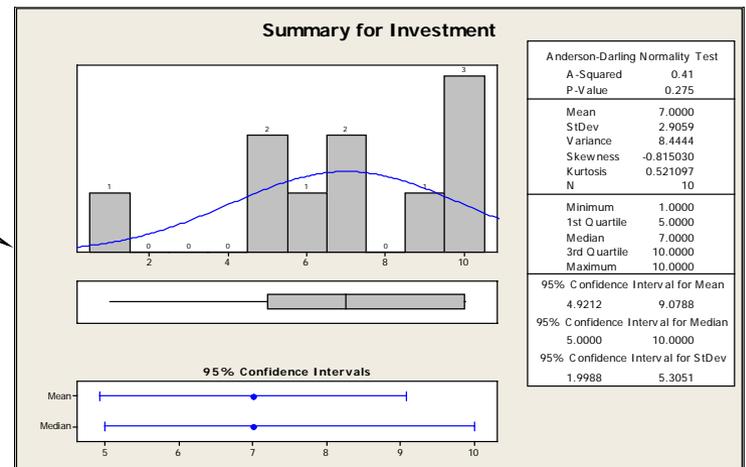
WG ranking level of investment from 1 to 10:

- 10: Major investment, 6+ months or more of system changes and testing
- 5: Significant investment, 3 month project to account for system changes and testing
- 1: Minor change, 1 to 2 week project to make and test for the necessary changes

Benefit:
Average: **4.6**
Median: **5.0**



Investment:
Average: **7.0**
Median: **7.0**



Impact:
Average: **7.0**
Median: **7.5**

Mailer MTE Inventory Tracking and Reporting Process

- Discussed and reviewed mailer inventory processes currently in use
- Determined the optimal level of MTE inventory tracking (piece or pallet level – mailer's choice)
- Determined the optimal frequency of MTE inventory reporting (weekly)
- Identified 3 inventory tracking tools for testing by work group
- Modified tools based on feedback
- Conducted testing with work group team

Next Steps:

Evaluating testing results

Modify tools based on feedback

Anticipate May completion

Communication processes and procedures during emergency situations

- Workgroup Co-Leaders:
 - Industry – Lisa Wurman; 215-997-5339 or lisa.wurman@qg.com
 - Postal – Dale Kennedy; 202-268-6592 or dale.e.kennedy@usps.gov
- Build on learnings and feedback from Hurricane Sandy
- Participants needed – interested parties notify Lisa or Dale
- Kickoff webinar March 1, 2013

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

- Create efficiencies: Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.
- Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.
- Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

- Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.
- Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.
- Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow Optimization Matrix (MOP) - Flats / DPS Flow

		OPTIMIZATION OBJECTIVES		
		MINIMIZE CONTAINER HANDLINGS	MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
		1. Increase FSS Facility Entry	2. Increase DPS/FSS Pallet Prep	3. Increase DPS Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	Objective -->			
	Vehicle -->			
	1. Mailing Standards / BMA		(1) Change max # pallets printers can stack when loading (2) Make FSS Container Prep Required (3) Remove option to place FSS bundles on non FSS pallets	(1) Make FSS Bundle Prep Required (2) Make FSS Container Prep Required (APPS = Breakage) (3) Change STD 16oz max to align with PER Mach weight
	2. Prep Rules / Parameters	(1) Node based Presort	(1) lower pallet weight min for all Dest. Entered pallets (2) Change PER/STD mixed class comail prep rules to better incent action (3) re-optimize container prep rules for AFP process (4) node based presort	(1) Require non-compensated bundles (2) Change PER/STD mixed class comail prep rules to better incent adoption (3) Node Based Presort
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Decrease Non Dest. Entered pound Incentive (ad & edit)	(1) Increase Dest. Entered FSS Scheme Pallet incentive (2) Increase Dest Entered FSS Facility Pallet incentive (3) Lower CRRT Bundle / 5D pallet price	
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology	
7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Miminize unreadable barcodes (3) Improve packaging strength	

Mail Optimization Matrix Brainstorm

Open Discussion



UNITED STATES
POSTAL SERVICE

MTAC

Mail Prep & Entry Focus Group

Standard Track

February 20, 2012

- Standard Track
 - Action Items from Last Meeting
 - Engineering Technology Update
 - Mail Prep & Entry Steering Committee Update
 - Network Rationalization Open Discussion
 - MTEOR Update
 - Workgroup Updates
 - Mail Optimization Matrix Brainstorm
 - Open Discussion

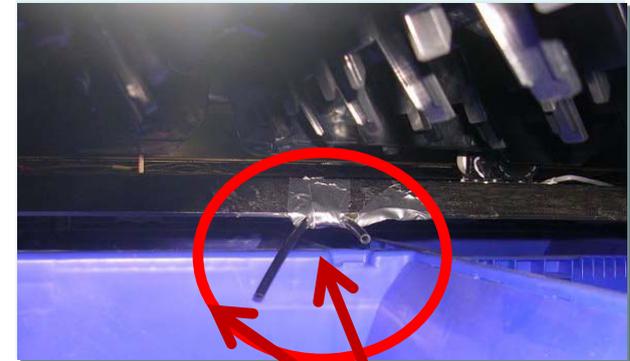
- Action Items from Last Meeting
 - High Speed Flats Feeder impacts on FSS Phase 2 ✓
 - Hurricane Sandy feedback ✓
 - Network Rationalization mail move & labeling list communication ✓
 - 8125 requirements as a result of FSS scheme redirections ✓
 - Distribute structured release schedule ✓
 - Clarify verification procedures for recording tare weights/updating mail.dat files - Sent to Payment & Acceptance Track ✓
 - Mailflow Optimization Matrix (MOP)

- FAST Enhancement: FSS Re-Directions
 - January 14: Software enhancement released to incorporate FSS re-directions into mail direction file
 - FSS re-directions (if applicable) will be implemented in mail direction file: v1, v2, v3
 - April 1, 2013
 - FSS re-directions utilized will follow same process as current re-direction process
 - 8125 will show facility at which FSS mail is being entered at

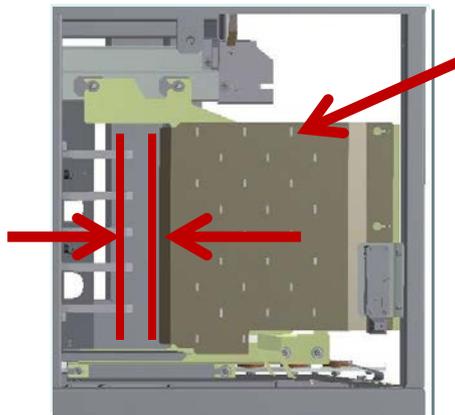
Engineering Technology Update FSS Mail Study

- **Mail Stack Quality at Feeder**
 - Experimenting with additional sensors at Feeder to better control mail stack quality of thin or less stiff mailpieces
 - Experimenting with “softer” acceleration profiles for thin or less stiff mailpieces
 - Engineering tests conducted on various solutions
 - Currently initiating a 16-week Field Test to evaluation solutions to deploy
- **Infeed Line Injector**
 - Field Test Late injection, Small Offset
 - Field Test completed, adding a modified short plate for less stiff mail pieces; another Field Test scheduled March 2013
 - Incorporate change in future SW release (Summer 2013)
- **ITC Unload of RCT**
 - Experimenting with additional sensors at ITC to stop device if mail can be damaged; Engineering tests scheduled in March 2013, Field Test in April 2013
 - Experimenting with different motion profile to improve handling of full spectrum of mail; Engineering tests scheduled in March 2013
- **Mail Stack Quality at RCT Output Tray**
 - Experimenting with different RCT inserts for improve mail stack; new RCT insert designed, prototype being fabricated, Engineering test in March 2013

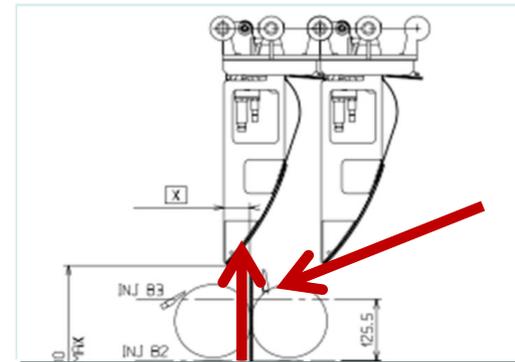
Factors	Level 1	Level 2	Result
Offset	Baseline	Small	Small = Good
Injection	Baseline	Late	Late = Good
Plate	Baseline	Short	Short = Good
Finger	Baseline	One Two	Two = Fair



2 Fingers
(Front View)



Short Plate
(Top View – mini-carousel removed for clarification)



Late Injection
(Top View)

- Good mail stack at Feeder (vertical against the pick-off) resulted in no damage observed

- **FSS SW v3.0.8 - Dynamic Separation Lite**
 - Reduces flyouts and Mail Piece damage from “Separating Fingers” at the ITC Separation
 - Released to Field 11/9/12 (30 days to complete)
 - **All machines installed (Flyouts and damage at ITC Separation reduction >60%)**

- **SERVICE TALKS issued to all FSS Sites to address good stack quality at Prep and at Feeder and to handle foldover/upside down mail pieces during feeding:**
 - FSS SAMP ACT Prep issued 10/19/12
 - FSS Feeder Operation Pass 1 issued 11/23/12
 - FSS Feeder Operation Pass 2 issuing 11/30/12

- **SERVICE TALKS being reinforced by Operations**

Mail Prep & Entry Steering Committee Update



[Home](#) | [Site Index A-Z](#) | [Site Index by Topic](#) | [Locators/ Lookups](#) | [Document Locator](#) | [Contact Us](#)

- Intelligent Mail® Services
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- Certifications
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- Industry Outreach
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- Major/Minor Release Schedule
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Mail Service Updates

Mail service updates are provided to the mailing industry so mailers are aware when service is suspended at Post Office facilities for any reason, including natural disasters, such as floods or fires. Updates are made in real time, and these pages are updated frequently. For details of the current impacted areas, [click here](#).

Intelligent Mail® Services



eDoc and Full-Service Authorization for Software Vendors

The Postal Service has launched a voluntary process for software vendors and developers to authorize their product(s) in the Test Environment for Mailers (TEM). To get started, [click here](#) to review the Mail.dat or Mail.XML guides and access the on-line Enrollment Tool.

Transitioning to the Intelligent Mail Barcode Webinar Series

The Postal Service hosted a series of webinars to assist mailers in transitioning from the POSTNET barcode to the Intelligent Mail barcode. For a description of the webinars and links to the recordings and presentations, [click here](#) to go to the Education page.

Mail Service Updates

New Drop Down Box

IMPORTANT UPDATES

[Click here for the Network Rationalization Consolidations \(Winter 2013\)](#)

On the Move

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1-800-238-3150



Mail Prep & Entry Steering Committee

[Printable View](#)

The Mail Preparation and Entry Steering Committee is a joint Industry/USPS workgroup established to review opportunities that will better align mail preparation and entry requirements in the current and future state.

The Charter of the Mail Preparation and Entry Steering Committee is to identify and implement mail preparation and entry solutions to eliminate non-value added mailing requirements, increase efficiencies to contain costs and drive service improvements for the mailing industry and Postal Service.

A goal of the Committee is to assess and prioritize short-term solutions that can be implemented quickly, allowing for incremental changes; while also identifying and strategically considering forward-thinking, long-term solutions.

Contact Information:

Mail Preparation and Entry Steering Committee
Phone: 202-268-7979
Email: dane_a_coleman@usps.gov
Page updated: 12/18/2012

Important Links

[Steering Committee Roster](#)

Listing of members of the Steering Committee with contact information

[Steering Committee Meeting Notes](#)

A recap of minutes from Steering Committee quarterly on site meetings

[Steering Committee Presentations](#)

Powerpoint slide decks of presentations from onsite meetings and monthly webinars

[Steering Committee Ideas Log](#)

Listing of ideas submitted to date for Steering Committee review and evaluation

[Change Improvement Template](#)

Use this template for submitting any new ideas to the Steering Committee

[Benefit/Effort Matrix](#)

Lean Six Sigma tool used to prioritize ideas based on their potential benefit as well as effort to implement

[Industry Outreach](#)

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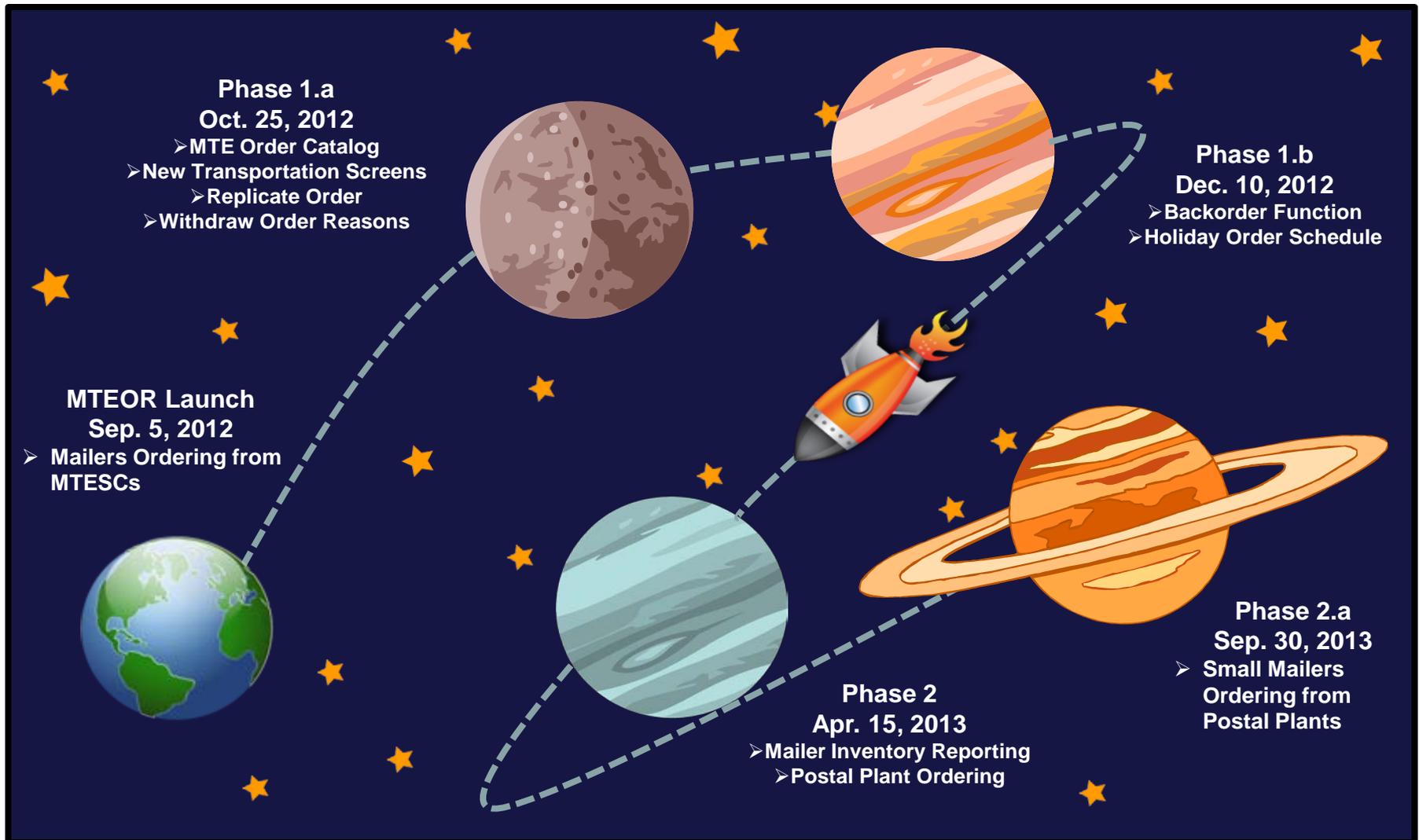
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WIRE CONTAINER	<input type="text"/>	<input type="text"/>	\$0.00		
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OTR	<input type="text"/>	<input type="text"/>	\$200.00		
				40,317	\$120,264.00



Workgroup Updates

- WG 152 – Explore Moving to 5-Digit File Structure
- WG 153 – Mailer MTE Inventory Tracking and Reporting Process
- WG 155 – Communication processes and procedures during emergency situations
- WG 156 – Utilizing the Mail Optimization Matrix (MOP)

Explore Moving to 5-Digit File Structure Executive Summary, Primary Benefits and Primary Costs

The purpose of the work group was to review, assess, and define cost/benefit analysis of an architectural change of distribution separations and entry to a 5-digit structure from its current parameters. The work group was tasked to explore the feasibility of modifying systems (mailer and postal) and data files, such as labeling list, mailer direction file, to better align with the mail processing network.

It is the recommendation of this work group to not proceed with moving to a 5-digit file structure at this time. If the USPS does determine to move forward at some future point, it is the recommendation of this work group that significant lead time be provided (2+ years) to ensure adequate time is given to make the necessary system changes.

Primary Benefits:

- Network Flexibility: Ability to assign stations to plants based on distance and processing capacity rather than the first 3-Digits of their ZIP codes.
- General Improvements: More refined service standards and service performance evaluation; and ability to adjust CETs.
- Single Label List File Format: All label list tables could potentially have the same record format/structure so that a single table could work for all label lists.

Primary Costs:

- System Redesign: Major changes would be required for many Postal systems and most industry members see it as a significant or major investment.
- Zone Chart Matrix Explosion: Matrices that currently house records for 3-Digit to 3-Digit pairs will grow in size creating huge files (hundreds of Gigabytes).
- Training and Quality Control: Increased complexity of ensuring quality control requiring more training and more system changes on quarterly updates.

Explore Moving to 5-Digit File Structure Survey Results

WG ranking level of benefit from 1 to 10:

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- 5: Modest benefits to be gained
- 1: Minimal benefit but worth noting

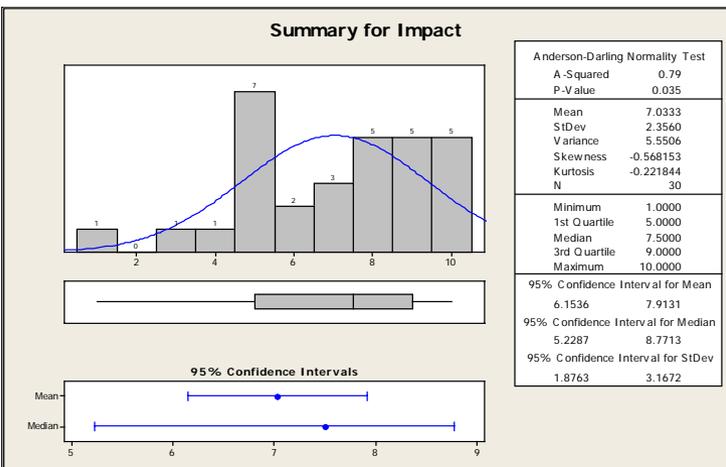
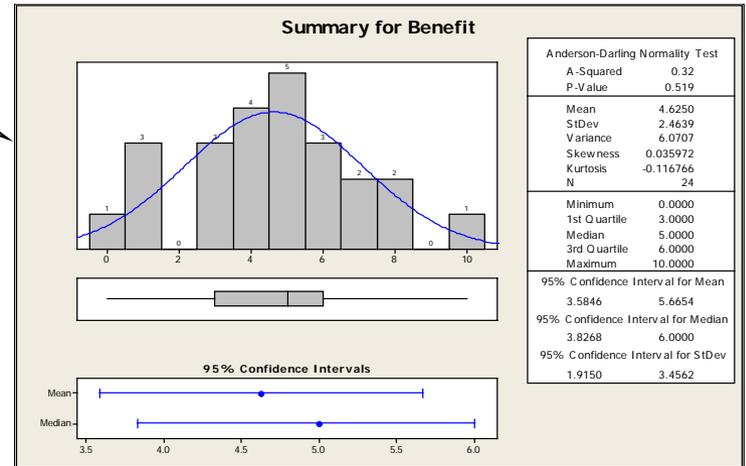
WG ranking level of impact from 1 to 10:

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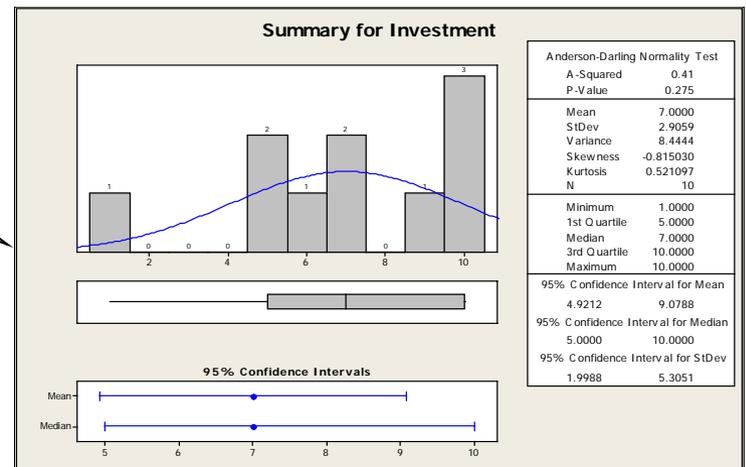
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Benefit:
Average: **4.6**
Median: **5.0**



Investment:
Average: **7.0**
Median: **7.0**



Impact:
Average: **7.0**
Median: **7.5**

Mailer MTE Inventory Tracking and Reporting Process

- Discussed and reviewed mailer inventory processes currently in use
- Determined the optimal level of MTE inventory tracking (piece or pallet level – mailer's choice)
- Determined the optimal frequency of MTE inventory reporting (weekly)
- Identified 3 inventory tracking tools for testing by work group
- Modified tools based on feedback
- Conducted testing with work group team

Next Steps:

Evaluating testing results

Modify tools based on feedback

Anticipate May completion

Communication processes and procedures during emergency situations

- Workgroup Co-Leaders:
 - Industry – Lisa Wurman; 215-997-5339 or lisa.wurman@qg.com
 - Postal – Dale Kennedy; 202-268-6592 or dale.e.kennedy@usps.gov
- Build on learnings and feedback from Hurricane Sandy
- Participants needed – interested parties notify Lisa or Dale
- Kickoff webinar March 1, 2013

Utilizing the MOP to identify and organize improvement opportunities

The purpose of the work group is to utilize the Mail Optimization Matrix (MOP) to identify and organize improvement opportunities for all shapes of mail with collaboration from industry and USPS. Additionally, the goal is to identify changes that would create efficiencies, reduced costs, and improve cycle time around creation, processing and delivery of mail pieces.

The workgroup consists of three subgroups: flats, letters and parcels. Each group will develop multiple MOPs based on mail flows and mail sort levels.

Primary Benefits:

- Create efficiencies: Identify opportunities to create efficiencies within mail flows by looking at preparation, drop locations, processing flows and MTE flows.
- Reduce costs: Identify ways to remove costs from the end-to-end mail flows for mailers, printers, and processors.
- Reduce cycle time: Identify opportunities to reduce and standardize cycle time by identifying non-value added steps within mail flows.

Primary Subgroups:

- Letters: Focus on mail flows of concern within letter mail, such as first class single piece commercial and 3-digit vs. SCF trays.
- Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.
- Parcels: Focus on mail flows of concern within parcel mail, such as DNDC parcel drops.

Mailflow Optimization Matrix (MOP) - Flats / DPS Flow

		OPTIMIZATION OBJECTIVES		
		MINIMIZE CONTAINER HANDLINGS	MINIMIZE BUNDLE HANDLINGS	MINIMIZE PIECE HANDLINGS
		1. Increase FSS Facility Entry	2. Increase DPS/FSS Pallet Prep	3. Increase DPS Bundle Prep
FUNCTIONAL AREA OF SUPPLY CHAIN	Objective -->			
	Vehicle -->			
	1. Mailing Standards / BMA		(1) Change max # pallets printers can stack when loading (2) Make FSS Container Prep Required (3) Remove option to place FSS bundles on non FSS pallets	(1) Make FSS Bundle Prep Required (2) Make FSS Container Prep Required (APPS = Breakage) (3) Change STD 16oz max to align with PER Mach weight
	2. Prep Rules / Parameters	(1) Node based Presort	(1) lower pallet weight min for all Dest. Entered pallets (2) Change PER/STD mixed class comail prep rules to better incent action (3) re-optimize container prep rules for AFP process (4) node based presort	(1) Require non-compensated bundles (2) Change PER/STD mixed class comail prep rules to better incent adoption (3) Node Based Presort
	3. Price Signals within existing Structure	(1) Increase Dest entered Pound Price incentive (2) Increase Destination entered pallet Incentive (3) Decrease Non Dest. Entered pound Incentive (ad & edit)	(1) Increase Dest. Entered FSS Scheme Pallet incentive (2) Increase Dest Entered FSS Facility Pallet incentive (3) Lower CRRT Bundle / 5D pallet price	
	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology	
7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Mimize unreadable barcodes (3) Improve packaging strength	

Mail Optimization Matrix Brainstorm

Open Discussion



UNITED STATES
POSTAL SERVICE

MTAC

Mail Prep & Entry Focus Group

Packages Track

February 20, 2012

- Packages Track
 - Action Items from Last Meeting
 - Mail Prep & Entry Steering Committee Update
 - Network Rationalization Open Discussion
 - MTEOR Update
 - Workgroup Updates
 - Mail Optimization Matrix Brainstorm
 - Open Discussion

- Action Items from Last Meeting
 - Distribute material/link on how to sign up for BSN eService ✓
 - Evaluate L606 Accuracy ✓
 - Hurricane Sandy Feedback ✓
 - Evaluate and provide recommendation on feasibility of developing a list to drop directly at APPS locations ✓
 - Research and update eVS – Destination Entry validation exceptions – Sent to Payment & Acceptance Track ✓
 - Distribute and post meeting minutes for WG 153 – Mailer MTE Inventory Tracking & Reporting Process ✓
 - Mailflow Optimization Matrix (MOP)

- Feasibility of developing a list to drop directly at APPS locations
 - The DMM currently allows SCF entry of machineable parcels in 3-Digit containers per L607 (zones not sorted to 5-Digit at NDC)
 - Operations is conducting a survey with NDCs to validate whether L607 is updated to reflect all zones and 3-digit destinations
 - Next step – determine if creation of a separate/modified list and corresponding presort level is warranted and feasible

Mail Prep & Entry Steering Committee Update



[Home](#) | [Site Index A-Z](#) | [Site Index by Topic](#) | [Locators/ Lookups](#) | [Document Locator](#) | [Contact Us](#)

- Intelligent Mail® Services
- Address Quality Products
- Business Mail Acceptance
- Certifications
- Operations
- Industry Outreach
- Industry Outreach**
- Mail Prep & Entry Steering Committee**
- Major/Minor Release Schedule
- Move Update
- MTAC

Mail Service Updates

Mail service updates are provided to the mailing industry so mailers are aware when service is suspended at Post Office facilities for any reason, including natural disasters, such as floods or fires. Updates are made in real time, and these pages are updated frequently. For details of the current impacted areas, [click here](#).

Intelligent Mail® Services



eDoc and Full-Service Authorization for Software Vendors

The Postal Service has launched a voluntary process for software vendors and developers to authorize their product(s) in the Test Environment for Mailers (TEM). To get started, [click here](#) to review the Mail.dat or Mail.XML guides and access the on-line Enrollment Tool.

Transitioning to the Intelligent Mail Barcode Webinar Series

The Postal Service hosted a series of webinars to assist mailers in transitioning from the POSTNET barcode to the Intelligent Mail barcode. For a description of the webinars and links to the recordings and presentations, [click here](#) to go to the Education page.

Mail Service Updates

New Drop Down Box

IMPORTANT UPDATES

[Click here for the Network Rationalization Consolidations \(Winter 2013\)](#)

On the Move

The National Customer Support Center (NCSC) is moving its office location. Starting Dec. 1, the new address for the NCSC will be:

**NATIONAL CUSTOMER SUPPORT CENTER
UNITED STATES POSTAL SERVICE
225 N HUMPHREYS BLVD STE 501
MEMPHIS TN 38188-1001**

The NCSC works closely with the mailing industry, vendors and internal postal customers to improve address quality. The USPS headquarters office of Address Management also is located at the NCSC.

Numerous USPS publications, forms, brochures, etc. currently provide the existing address for the NCSC – all of which will need to be updated, including those on *usps.com* and other postal websites. Telephone numbers for all NCSC personnel and program support groups will remain the same.

POSTNET Barcode Discontinuation Proposed

On Thursday, May 3, the **POSTNET™ Barcode Discontinuation final rule** was posted on the *Federal Register* website and it is posted on the *Postal Explorer®* website under *Federal Register Notices*.

The final rule, which takes into consideration comments received from the mailing

1-800-238-3150



Mail Prep & Entry Steering Committee

[Printable View](#)

The Mail Preparation and Entry Steering Committee is a joint Industry/USPS workgroup established to review opportunities that will better align mail preparation and entry requirements in the current and future state.

The Charter of the Mail Preparation and Entry Steering Committee is to identify and implement mail preparation and entry solutions to eliminate non-value added mailing requirements, increase efficiencies to contain costs and drive service improvements for the mailing industry and Postal Service.

A goal of the Committee is to assess and prioritize short-term solutions that can be implemented quickly, allowing for incremental changes; while also identifying and strategically considering forward-thinking, long-term solutions.

Contact Information:

Mail Preparation and Entry Steering Committee
Phone: 202-268-7979
Email: dane_a_coleman@usps.gov
Page updated: 12/18/2012

Important Links

[Steering Committee Roster](#)

Listing of members of the Steering Committee with contact information

[Steering Committee Meeting Notes](#)

A recap of minutes from Steering Committee quarterly on site meetings

[Steering Committee Presentations](#)

Powerpoint slide decks of presentations from onsite meetings and monthly webinars

[Steering Committee Ideas Log](#)

Listing of ideas submitted to date for Steering Committee review and evaluation

[Change Improvement Template](#)

Use this template for submitting any new ideas to the Steering Committee

[Benefit/Effort Matrix](#)

Lean Six Sigma tool used to prioritize ideas based on their potential benefit as well as effort to implement

[Industry Outreach](#)

- Intelligent Mail® Services
- Address Quality Products
- Business Mail Acceptance
- Certifications
- Operations
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- Industry Outreach
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Hot Links to MP/E Files

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- 75 ideas submitted to date
 - 16 ideas closed
 - Out of scope, withdrawn or re-assigned
 - 11 ideas completed
 - Postal Bulletin articles and DMM revisions announced
 - 29 ideas included in Benefit/Effort matrix
 - 19 ideas need Change/Improvement Analysis template submitted

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin Article	DMM Revision Effective
OMX/Mixed ADC Require separation / containerization of OMX (L201) and MADC (L009); required at 100 lbs if palletizing	6/29/12	9/24/12	10/18/12 Optional	1/27/13 Required
Single Piece Unit Handling & Containerization FCM and STD single piece price trays may be placed on existing pallet level; Origin Entry (FCM) or MXD NDC (STD)	10/23/12	12/20/12	8/23/12 Optional	9/4/12 Optional 1/27/13 Required
Change 24 Piece Sack Rule for Periodical Increase minimum requirement to 72 pieces; optional at 24	NA	NA	11/1/12	1/27/13

	Federal Register Proposed Rule	Federal Register Final Rule	Postal Bulletin Article	DMM Revision Effective
<p>Eliminate QSGs 201b, 703, 705a-f, 707a Removal of advanced mail prep and brief DMM section guides</p>	NA	NA	10/18/12 Comments closed 12/31/12	3/4/13
<p>DSCF Eligibility Enable DSCF price for 5D (FSS zone) pallet entry at FSS sites</p>	NA	NA	2/21/13	4/1/13
<p>3D/5D SCH vs. 3D/5D trays/handling units Scheme trays must be made before making any 5-digit or 3-digit trays</p>	NA	NA	3/7/13	4/1/13

- Evaluate increasing max PER weight to 24 oz for co-mail pools
 - Affects flats automation environment
 - Would require modifying current CSR
- Explore changing the FSS bundle prep standard from optional to required
 - Goal is to reduce number and cost of handling bundles
 - Understanding impacts to mailers of all sizes is critical

- Continue to develop potential solutions for 29 ideas in Benefit/Effort matrix as applicable
- Decide status of remaining 19 open ideas
- Continue to assign subgroups as needed to move committee work forward
- Continue periodic meetings
 - Webinars and face-to-face meetings
 - Next webinar – March 14, 2013 & April 11, 2013
 - Next on-site meeting – May 14 , 2013

Network Rationalization Open Discussion

MTEOR Update

- Phase 2 MTEOR enhancements are designed to:
 - Increase transparency between USPS and Mailers
 - Improve Mailer and Plant MTE planning
 - Expand MTEOR's scope to a broader audience
- Plant MTE ordering begins April 15th
- September 30 system ready for mailers obtaining MTE from plants
 - Pilot with mailers from 4 plants
 - Phased on-boarding

Snapshot Inventory Reporting Begins April 15th

- Allows USPS to gain visibility to better understand the location of inventory and the needs of our customers
- Decreases unnecessary spending and reduces MTE cost
 - USPS invested \$225 million in FY12-13 purchasing MTE
 - USPS must replace missing or lost MTE to meet Mailer needs
- Enables Mailers to better understand their current inventory and more efficiently plan for upcoming MTE needs
- New MTEOR User agreement



Mail Transport Equipment Ordering System Inventory Report

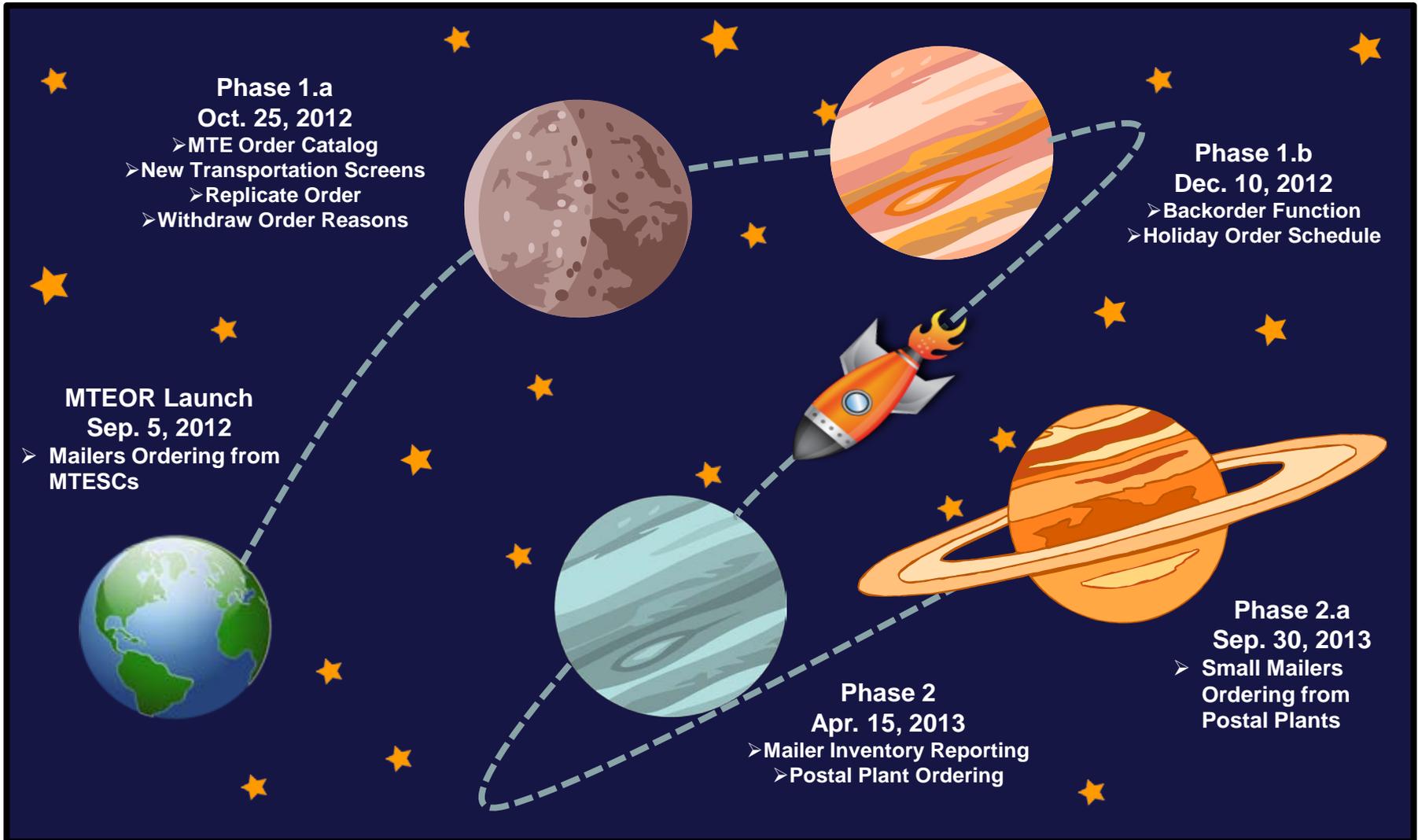
Reporting Guidelines

- Inventory must be reported each Thursday by 11:59 PM
- Report all trays, tubs, sleeves, sacks, and pallets that are awaiting use in production
- Report all USPS rolling stock

Reporting guidelines

Report by piece or
by pallet

MTE Type	Pallets	Pieces	Piece Value	Total Pieces	Total Value
EMM TRAY	<input type="text" value="333"/>	<input type="text"/>	\$3.00	39,960	\$119,880.00
EMM SLEEVE	<input type="text"/>	<input type="text"/>	\$0.65		
FLAT TUB	<input type="text"/>	<input type="text"/>	\$5.00		
FLAT TUB LID	<input type="text"/>	<input type="text"/>	\$1.00		
HALF TRAY	<input type="text"/>	<input type="text"/>	\$2.00		
HALF SLEEVE	<input type="text"/>	<input type="text"/>	\$0.45		
MM TRAY	<input type="text"/>	<input type="text"/>	\$2.00		
MM SLEEVE	<input type="text"/>	<input type="text" value="333"/>	\$0.65	333	\$216.45
PALLET - PLASTIC	<input type="text"/>	<input type="text"/>	\$0.00		
PALLET - PRESSWOOD	<input type="text"/>	<input type="text"/>	\$13.00		
PALLET - WOOD SLAT	<input type="text"/>	<input type="text"/>	\$0.00		
PRIORITY MAIL SACK	<input type="text"/>	<input type="text" value="24"/>	\$7.00	24	\$168.00
SEMI-CLEAR SACK	<input type="text"/>	<input type="text"/>	\$0.85		
APC/GPMC	<input type="text"/>	<input type="text"/>	\$0.00		
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Workgroup Updates

- WG 152 – Explore Moving to 5-Digit File Structure
- WG 153 – Mailer MTE Inventory Tracking and Reporting Process
- WG 154 – Alignment of Parcel Dropship Files and Labeling Lists
- WG 155 – Communication processes and procedures during emergency situations
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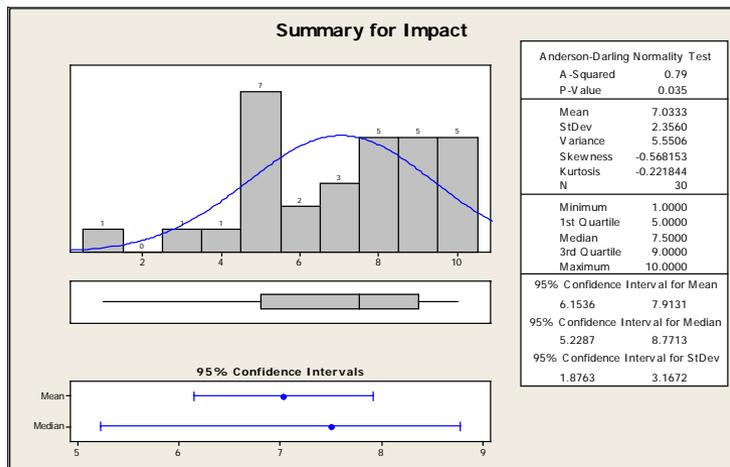
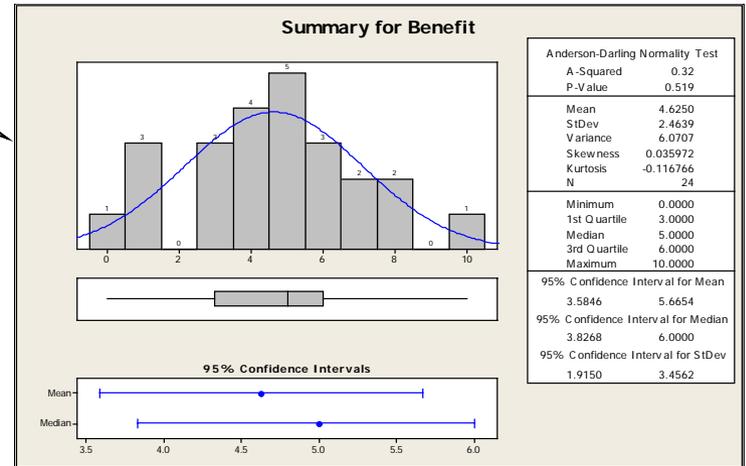
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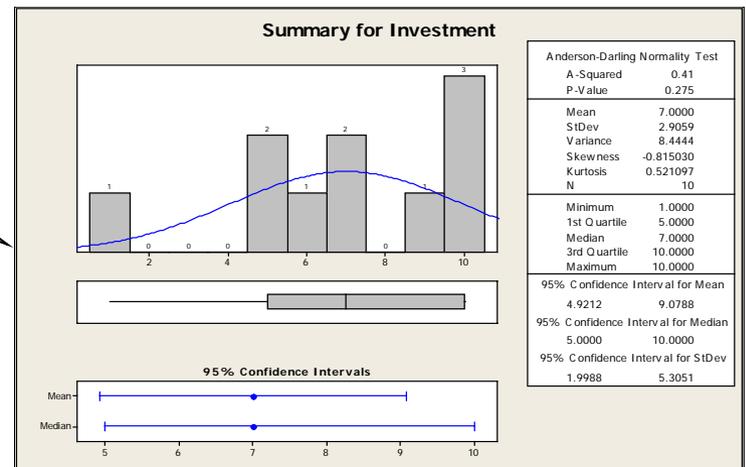
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- Modified tools based on feedback
- Conducted testing with work group team

Next Steps:

Evaluating testing results

Modify tools based on feedback

Anticipate May completion

Alignment of Parcel Dropship Files and Labeling Lists

- Kicked off early January
- Objectives
 - Identify data files used to pre-sort and enter parcels into USPS mailstream
 - Identify single source to provide updates based on changes to delivery units
 - Delivery Unit Consolidations
 - Hours of Operation Changes
 - Identify optimal frequency for updating data files based on activity around delivery unit changes

Communication processes and procedures during emergency situations

- **Workgroup Co-Leaders:**
 - Industry – Lisa Wurman; 215-997-5339 or lisa.wurman@qg.com
 - Postal – Dale Kennedy; 202-268-6592 or dale.e.kennedy@usps.gov
- **Build on learnings and feedback from Hurricane Sandy**
- **Participants needed – interested parties notify Lisa or Dale**
- **Kickoff webinar March 1, 2013**

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- Flats: Focus on mail flows of concern within flat mail, such as DSCF carrier route bundles and FSS bundles.
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	4. Price Signals within new Structure	(1) Change STD to match PER (non ECSI related) (2) Create PER Zoned edit rate	(1) Change STD to match PER (non ECSI related) (2) Create FSS Bunlde Price that incents prep (cost based) (3) Create FSS Container Price that incents prep (cost based) (4) Create incentive for Svc Providers to increase comail	(1) Change STD to match PER (non ECSI related) (2) Create FSS Piece rate that incents prep (cost based) (3) Create incentive for service providers to increase DPV% (4) Create incentive for Svc Providers to increase comail
	5. Mail Processing / Ops	(1) Implement "DPS Prep" in FSS sites that have no bundle processing. (2) Increase Destination Facility Density (NetRat) (3) Implement AFP in NDCs to bypass ADCs downstream	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Implement AFP in NDCs to bypass ADCs downstream (3) Ensure MTE inventory meets varying demand	(1) Implement "DPS Prep" in SCFs that have no bundle processing. (2) Expand DPS by redeploying FSS machines (3) Expand DPS by adding new FSS capabilities (4) Expand DPS new technology (FSS2, OMS, XMS) (5) Improve APPS bundle handling to minimize bundle breakage (induction & singlation)
	6. USPS Technical / Systems	(1) Enable mail direction to direct mail by container prep (2) Shape Based Label List	(1) Enable mail direction to direct mail by container prep	(1) Increase DVP% with new process & technology
	7. Industry	(1) Lower pallet minimum parameters in presort (2) Increase comail capacity (3) Lower transportation costs (4) Lower fuel costs	(1) Minimize # of bundles by maxing prep parameters & Strengthening packaging (2) Increase comail capacity	(1) Increase DVP% with new process & technology (2) Mimize unreadable barcodes (3) Improve packaging strength

Mail Optimization Matrix Brainstorm

Open Discussion