

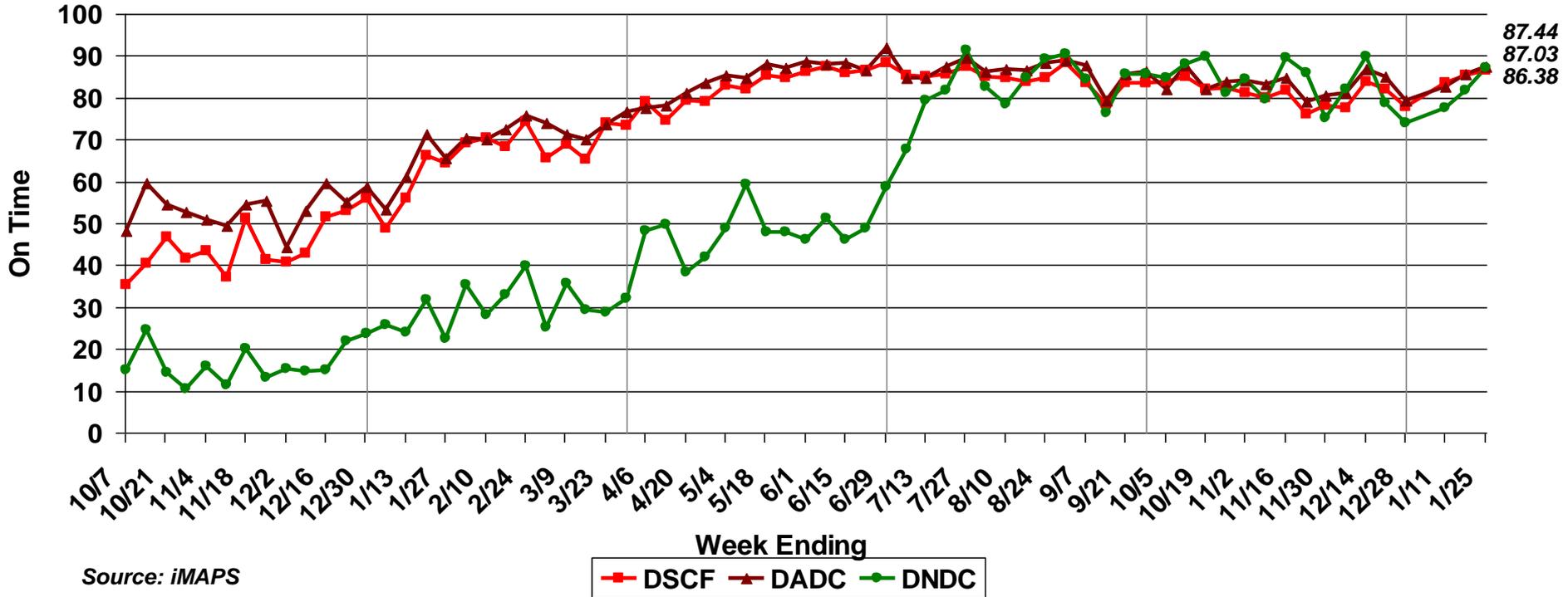
MTAC
Visibility and Service Performance
Jim Cochran
Moderator
February 20, 2013

Market Dominant

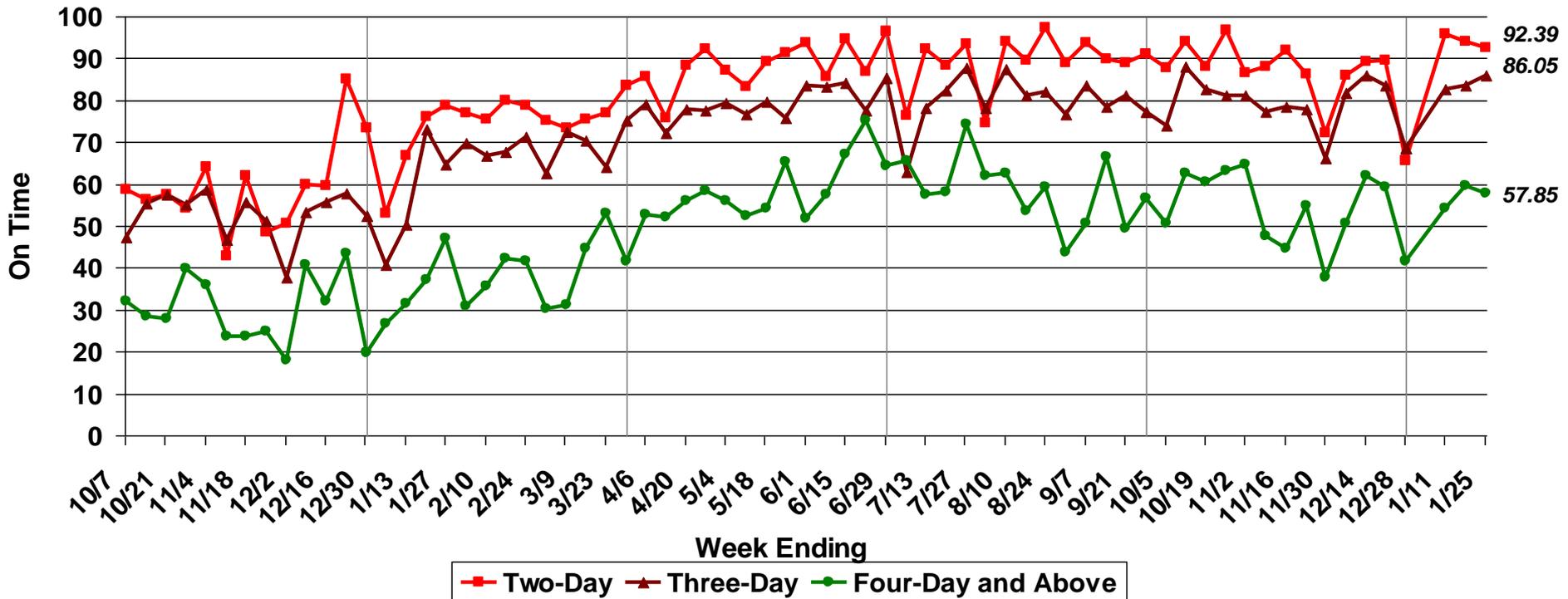
Mail Class	FY2013 Target
First-Class Mail	
Single-Piece Overnight	96.70
Single-Piece Two-Day	95.10
Single-Piece Three-Day +	95.00
Commercial Overnight	96.70
Commercial Two-Day	95.10
Commercial Three-Day +	95.00
Package Services	
Parcels	90.00
Periodicals	
Letters and Flats	91.00
Standard Mail	
Origination Entry	90.00
Destination Entry	90.00
DDU Entry (Weekly)	90.00

Periodicals
9:00 a.m. – 10:30 p.m.

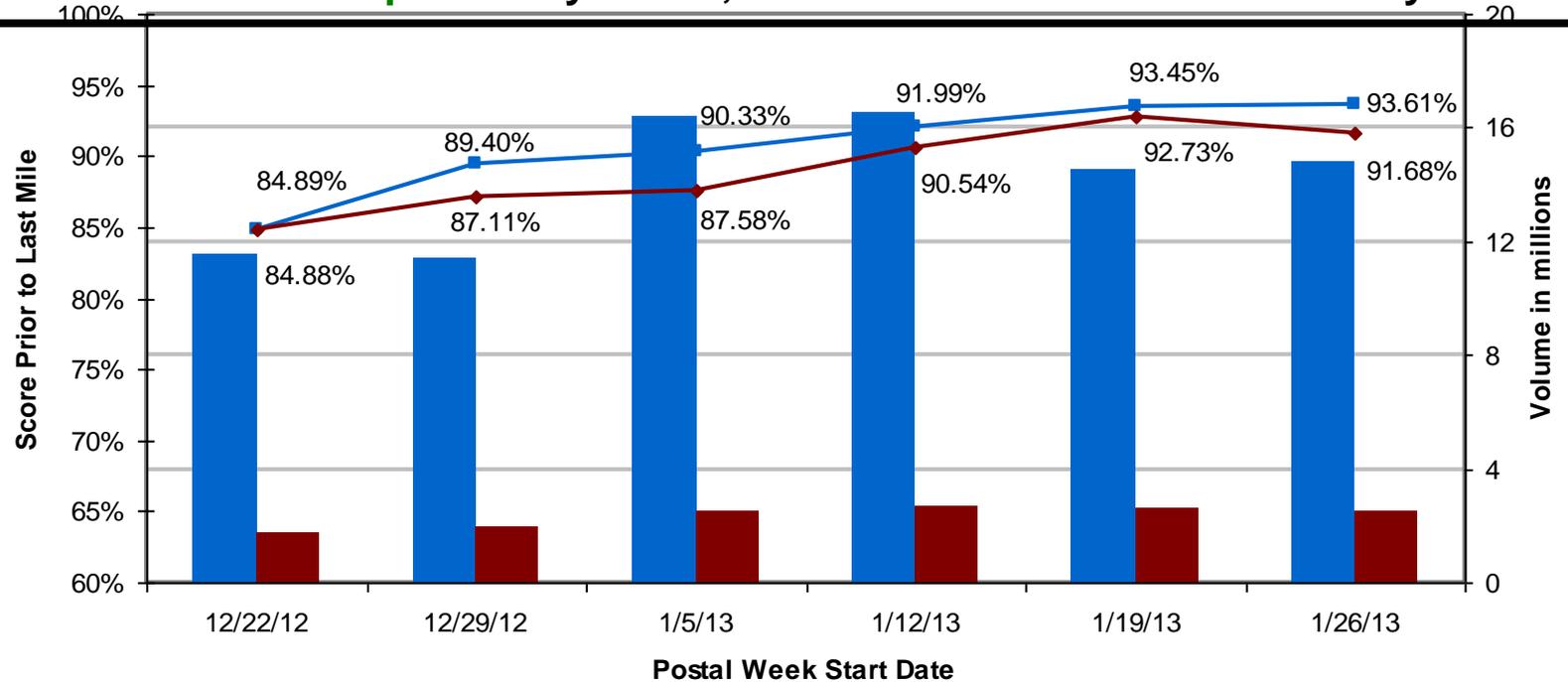
**Destination Entry IMb™ Periodicals FY12 to FY13 Performance
By Week through Jan 25, 2013**



End-to-End Entry IMb™ Periodicals FY12 to FY13 Performance By Week through Jan 25, 2013



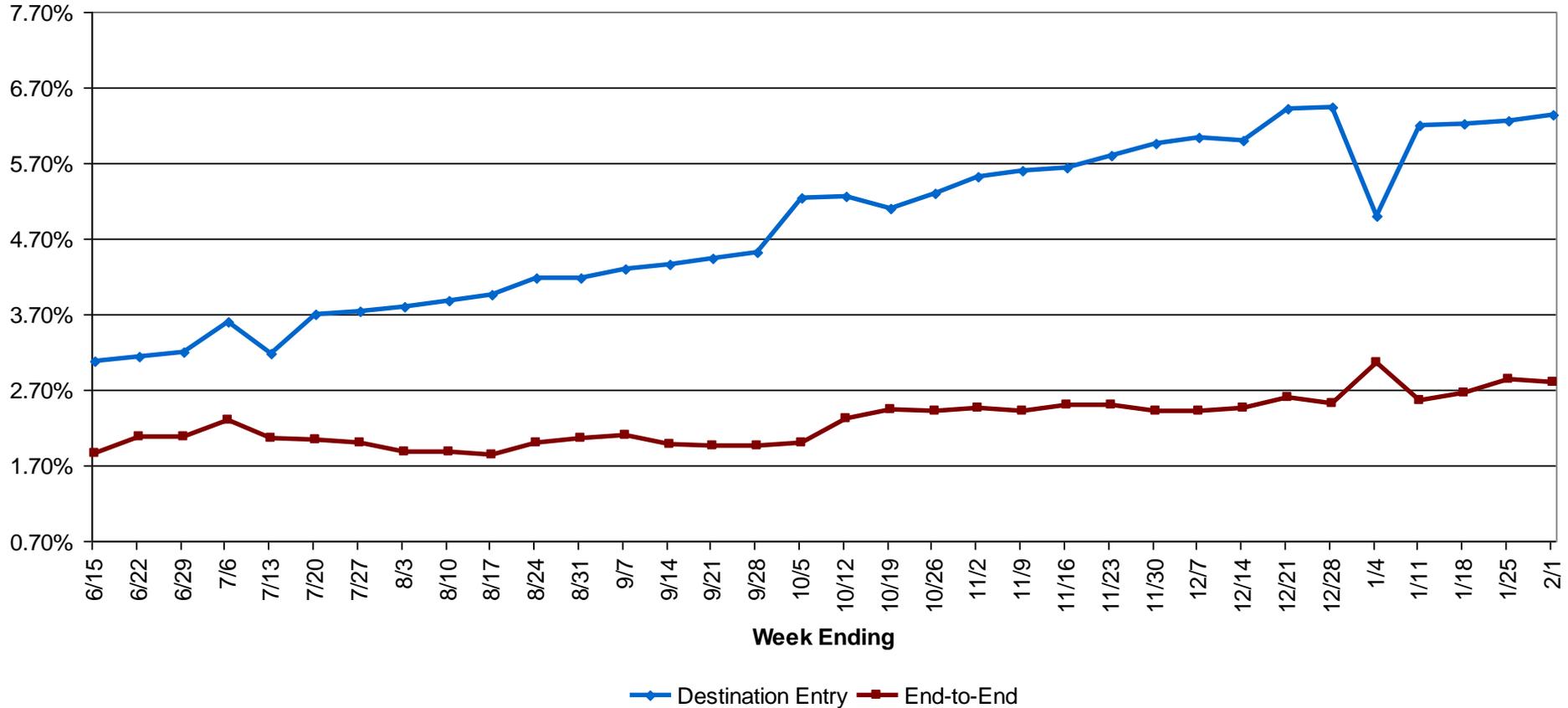
DSCF Flats scores improved by 0.16%; DADC Flats scores decreased by 1.05%



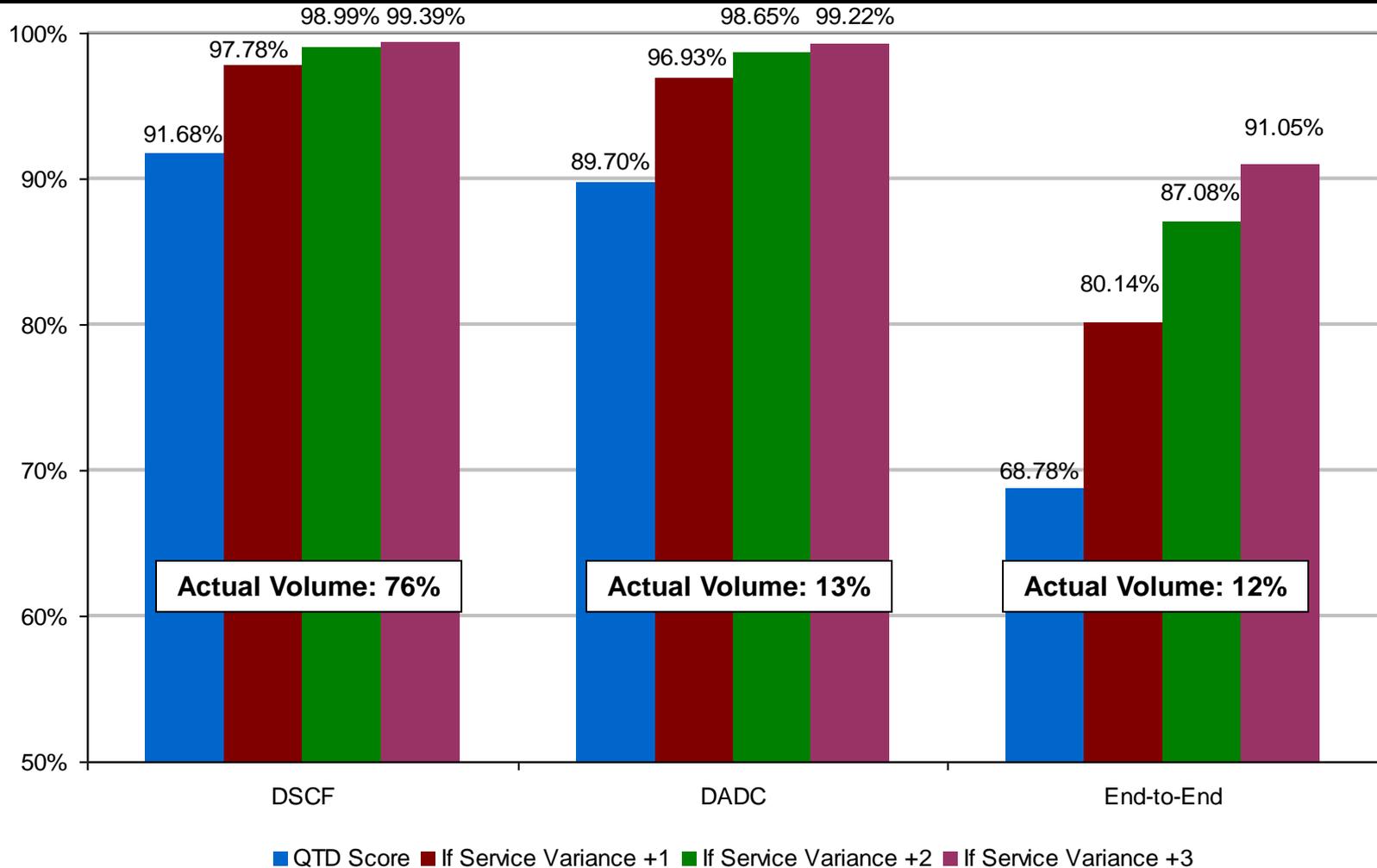
■ DSCF - Volume
 ■ DADC - Volume
 —■— DSCF - %
 —◆— DADC - %

Q2 TD	Total Pieces Measured	Part 1 % On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Overall QTR Score
SCF Flats	67,135,925	91.68%	-6.64%	85.04%	91.00%	66.72%
ADC Flats	11,202,860	89.70%	-4.81%	84.89%	91.00%	70.30%
E2E Flats	10,491,368	68.78%	-2.80%	65.98%	91.00%	57.86%

Last Mile Impact results were mixed

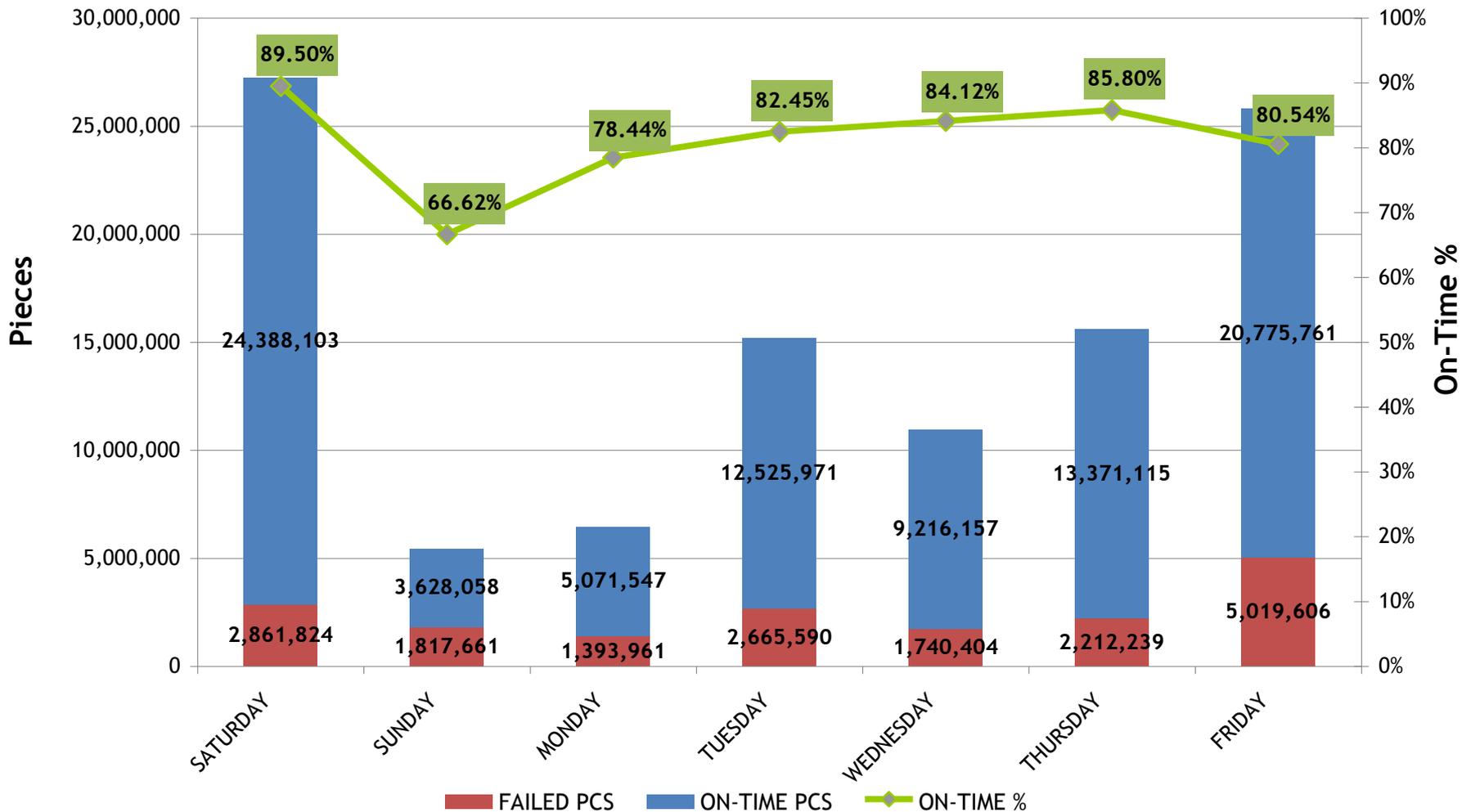


QTD DSCF and DADC Periodicals scores would be above 96.93% (prior to last mile), if pieces that failed by 1 day passed



Note: Volumes may not sum to 100% due to rounding.

NATIONAL STC BY DAY OF THE WEEK ANALYSIS QTR 1 2013



SCF Flats Q2 1/1-2/1

Facility	% On-time	% of Total failures	% Score impact
CHICAGO METRO SURFACE HUB	83.94%	5.65%	0.62%
KANSAS CITY	82.88%	3.60%	0.39%
CENTRAL MA *	77.91%	3.20%	0.35%
ROCHESTER L&DC	81.25%	2.88%	0.31%
DOMINICK V DANIELS	84.00%	2.71%	0.30%
SOUTH FLORIDA L & DC	87.46%	2.52%	0.28%
SPRINGFIELD LDC	83.79%	2.14%	0.23%
BOSTON	91.09%	1.99%	0.22%
HOUSTON	66.68%	1.94%	0.21%
WESTERN NASSAU	63.33%	1.91%	0.21%
MID ISLAND	88.42%	1.83%	0.20%
BROOKLYN	81.99%	1.77%	0.19%
TRENTON *	88.21%	1.70%	0.19%
OAKLAND	90.01%	1.63%	0.18%
SAN DIEGO	87.64%	1.59%	0.17%
WESTCHESTER	81.77%	1.59%	0.17%
PROVIDENCE	90.33%	1.47%	0.16%
LOS ANGELES	94.32%	1.46%	0.16%
SANTA ANA	84.81%	1.45%	0.16%
NORTH TEXAS	85.60%	1.44%	0.16%

SCF Flats – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
CHICAGO METRO SURFACE HUB	77.53%	9.83%	0.84%
CLEVELAND *	79.09%	2.66%	0.23%
SOUTH FLORIDA L & DC	90.95%	2.30%	0.20%
DOMINICK V DANIELS	86.75%	2.25%	0.19%
BOSTON	92.13%	2.24%	0.19%
SAN BERNARDINO	88.68%	2.19%	0.19%
DENVER MAIL PROCESSING ANNEX	94.15%	2.08%	0.18%
CENTRAL MA *	90.63%	2.05%	0.18%
SANTA ANA	82.20%	2.00%	0.17%
LOS ANGELES	93.96%	1.95%	0.17%
ROCHESTER L&DC	87.65%	1.94%	0.17%
DES MOINES *	52.93%	1.91%	0.16%
PHILADELPHIA *	92.38%	1.87%	0.16%
KANSAS CITY	91.58%	1.84%	0.16%
NORTH TEXAS	84.30%	1.74%	0.15%
WESTCHESTER	83.81%	1.67%	0.14%
SAN DIEGO	87.93%	1.66%	0.14%
MID ISLAND	92.22%	1.56%	0.13%
DULLES	95.74%	1.54%	0.13%
TAMPA L&DC	73.01%	1.54%	0.13%

* Site affected by Network Rationalization

ADC Flats – Q2 1/1-2/1

Facility	% On-time	% of Total failures	% Score impact
DOMINICK V DANIELS	73.70%	7.47%	0.96%
INDIANAPOLIS MP ANNEX	75.62%	4.49%	0.58%
DETROIT	84.46%	4.13%	0.53%
CHICAGO METRO SURFACE HUB	79.42%	3.99%	0.51%
SAN ANTONIO	75.22%	3.97%	0.51%
NASHVILLE	77.58%	3.66%	0.47%
MINNEAPOLIS SAINT PAUL NDC	81.78%	3.11%	0.40%
PORTLAND	86.95%	2.91%	0.38%
BOSTON	83.88%	2.88%	0.37%
PITTSBURGH *	85.03%	2.78%	0.36%
SOUTH FLORIDA L & DC	84.40%	2.60%	0.34%
NORTH HOUSTON	84.29%	2.57%	0.33%
CHICAGO NDC	86.65%	2.42%	0.31%
SEATTLE	93.73%	2.33%	0.30%
DES MOINES *	85.11%	2.32%	0.30%
CLEVELAND *	87.95%	2.23%	0.29%
LITTLE ROCK	84.65%	2.11%	0.27%
NORTH TEXAS	89.82%	1.96%	0.25%
SAINT LOUIS METRO ANNEX	84.81%	1.91%	0.25%
MILWAUKEE PRIORITY ANNEX	93.15%	1.70%	0.22%

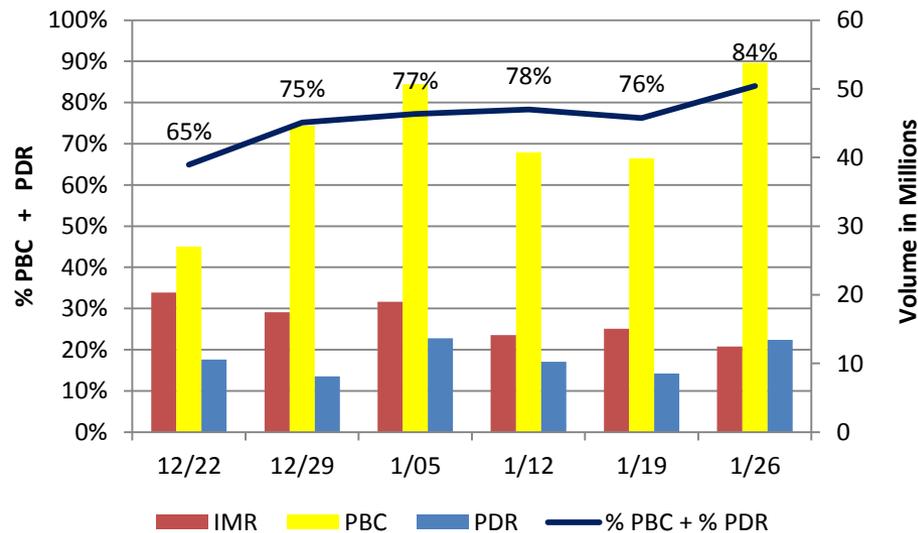
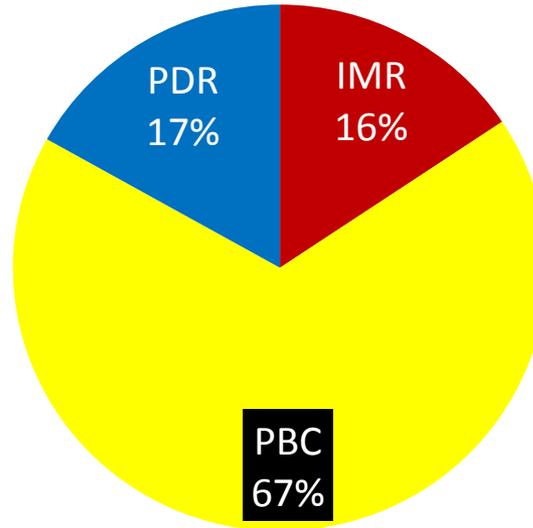
ADC Flats – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
DETROIT	82.88%	5.55%	0.59%
CHICAGO METRO SURFACE HUB	77.78%	5.47%	0.58%
CLEVELAND *	81.89%	5.31%	0.56%
DOMINICK V DANIELS	72.09%	4.23%	0.45%
NASHVILLE	80.83%	4.20%	0.45%
CHICAGO NDC	83.15%	4.07%	0.43%
BOSTON	77.54%	3.77%	0.40%
SAINT LOUIS METRO ANNEX	80.02%	3.54%	0.38%
INDIANAPOLIS MP ANNEX	85.71%	3.24%	0.34%
SAN ANTONIO	81.81%	3.16%	0.34%
DES MOINES *	83.52%	3.09%	0.33%
PITTSBURGH *	83.78%	3.02%	0.32%
MILWAUKEE PRIORITY ANNEX	90.38%	2.79%	0.30%
NORTH TEXAS	90.50%	2.57%	0.27%
SOUTH FLORIDA L & DC	91.26%	2.31%	0.25%
TAMPA L&DC	87.89%	1.80%	0.19%
MINNEAPOLIS SAINT PAUL NDC	88.65%	1.70%	0.18%
SPRINGFIELD LDC	78.01%	1.62%	0.17%
WICHITA *	75.57%	1.48%	0.16%
SANTA ANA	91.57%	1.47%	0.16%

* Site affected by Network Rationalization

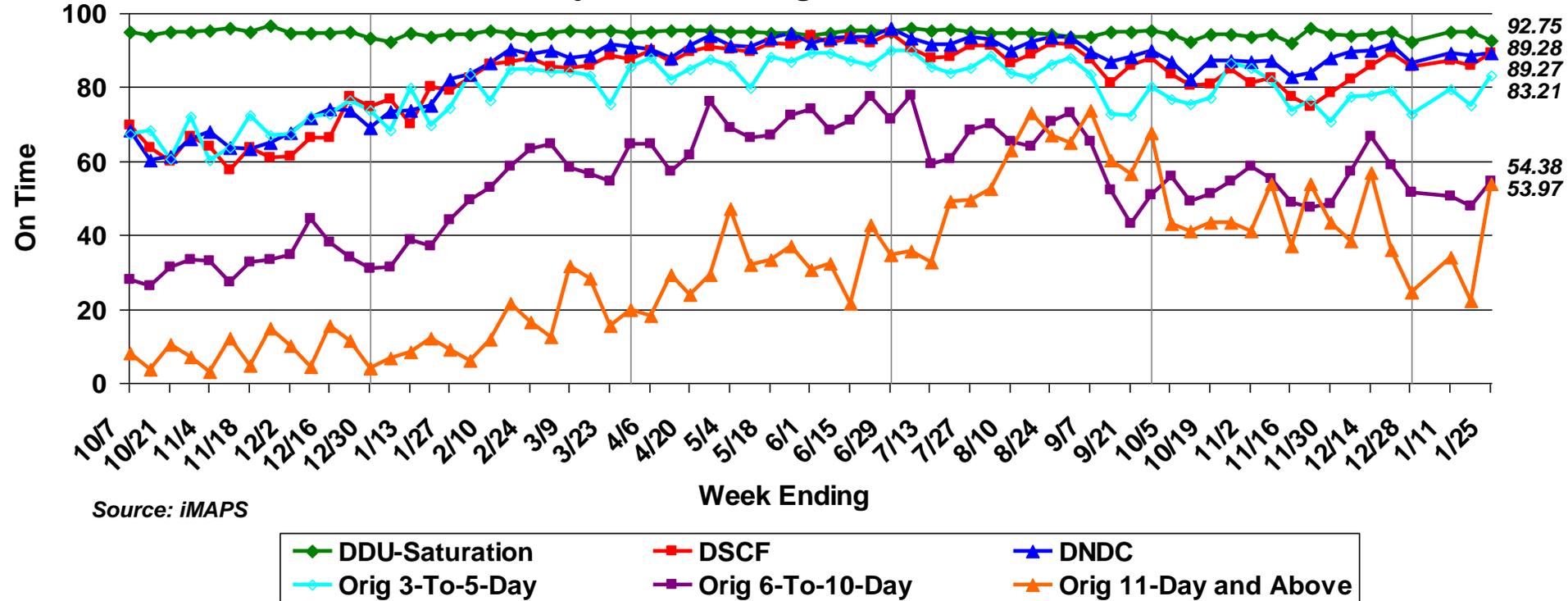
Mailing Dates: 1/26 – 2/01

PDR + PBC = 84%



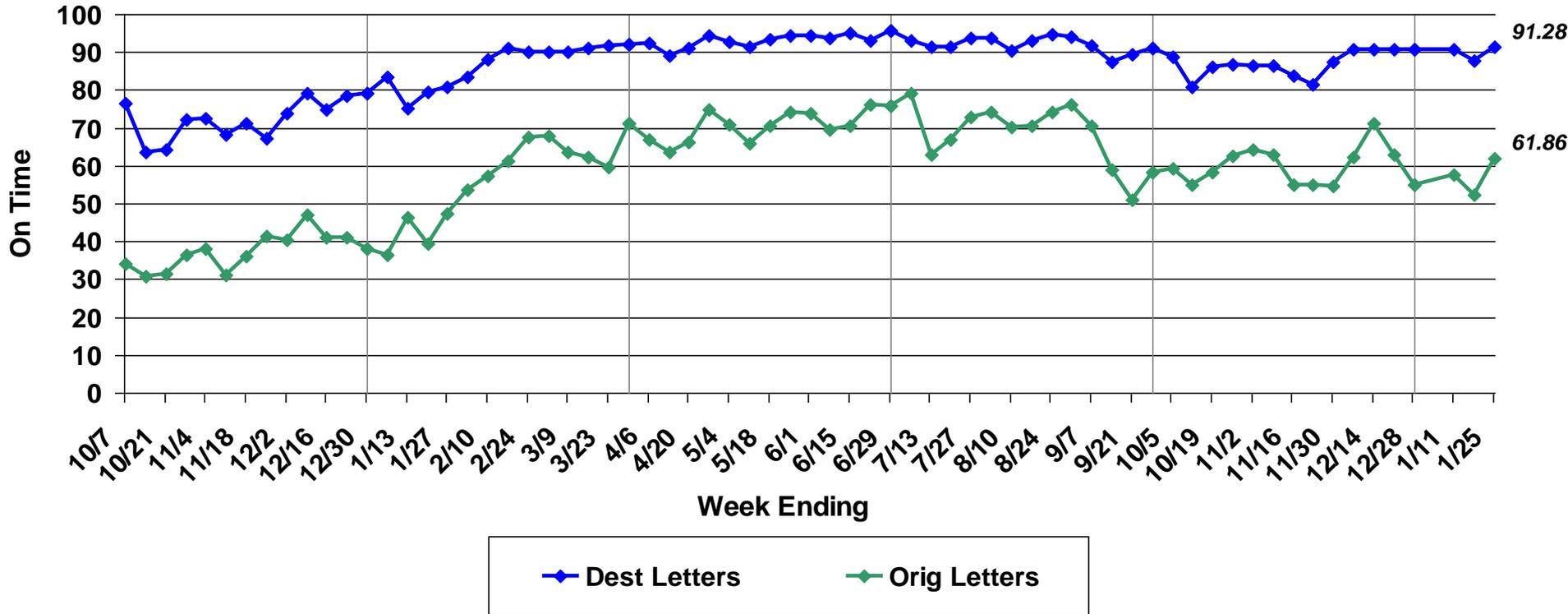
Standard Mail
10:45 a.m. - 12:15 p.m.

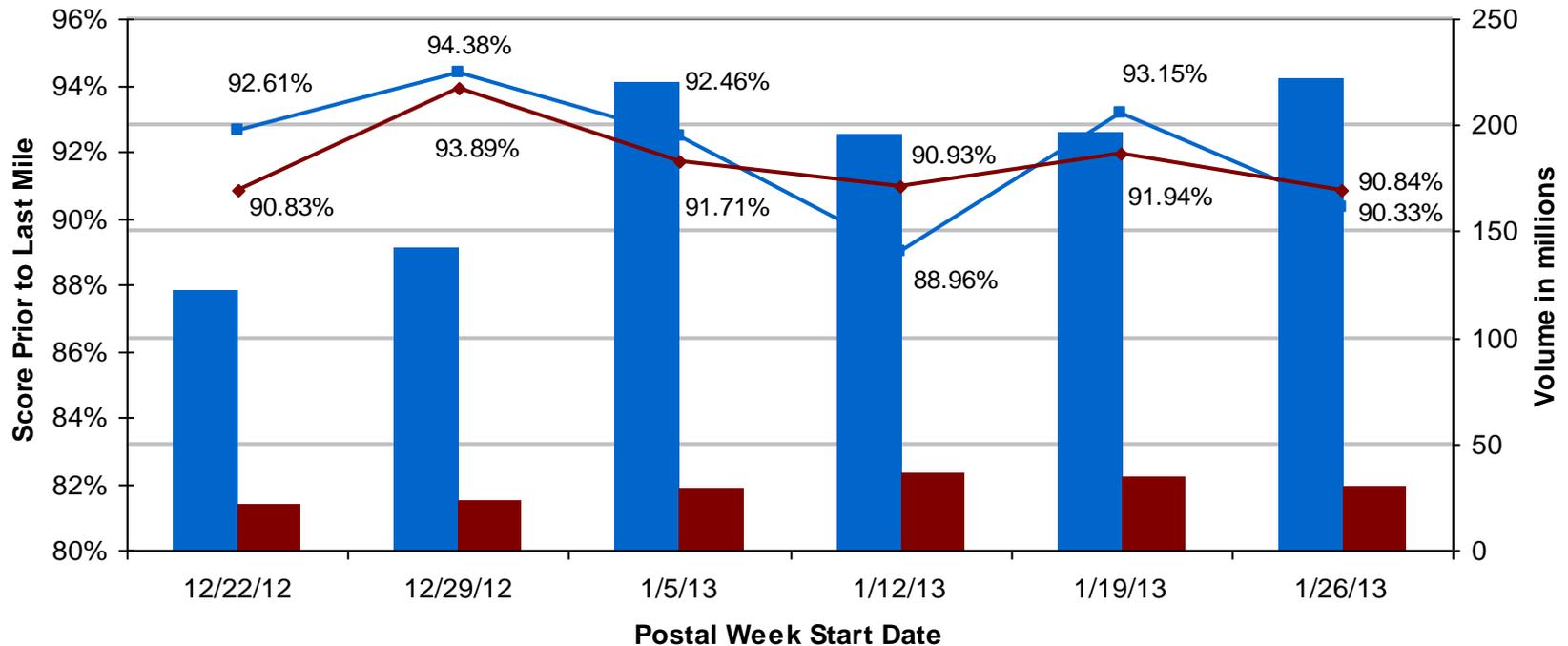
Standard Mail FY12 to FY13 Performance By Week through Jan 25, 2013



Standard Letters

Standard Mail FY12 to FY13 Performance By Week through Jan 25, 2013

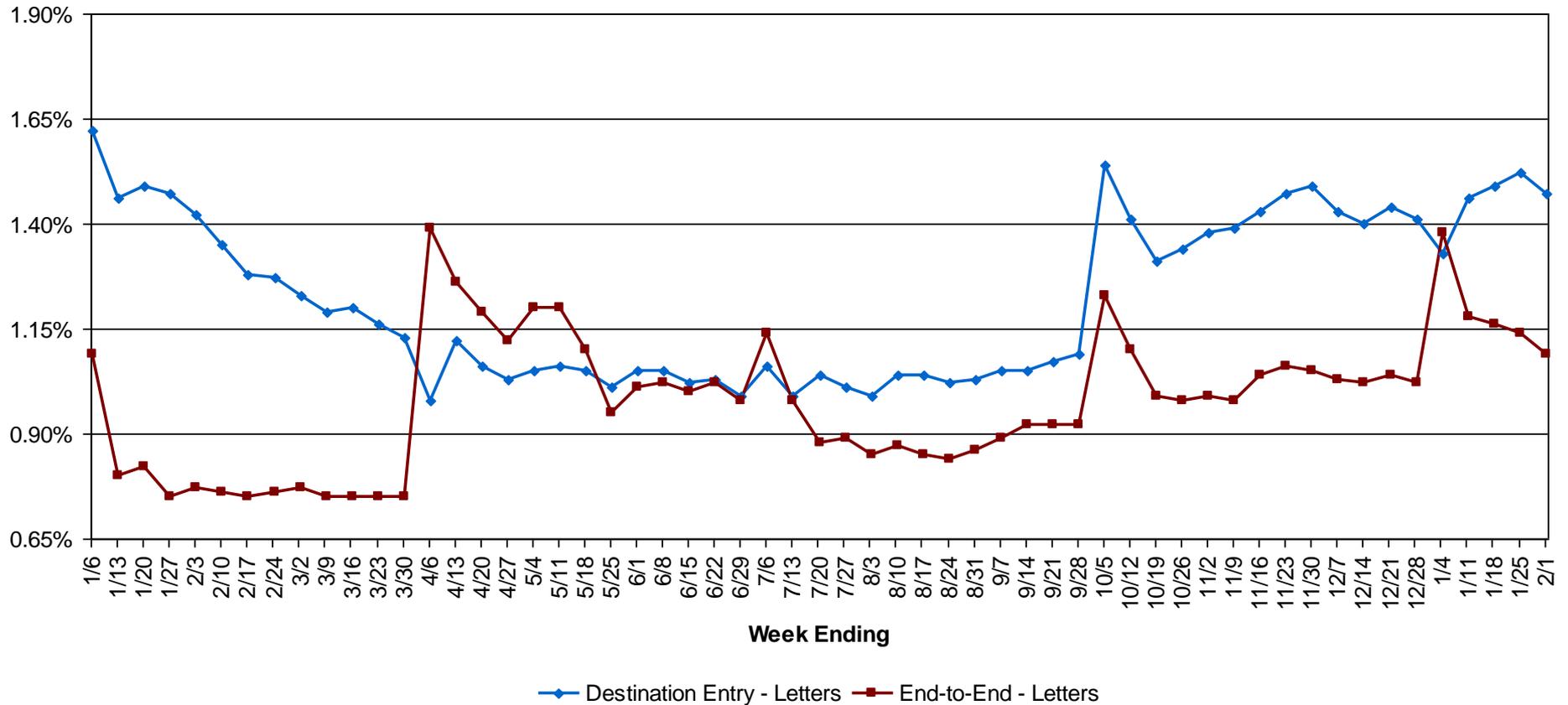




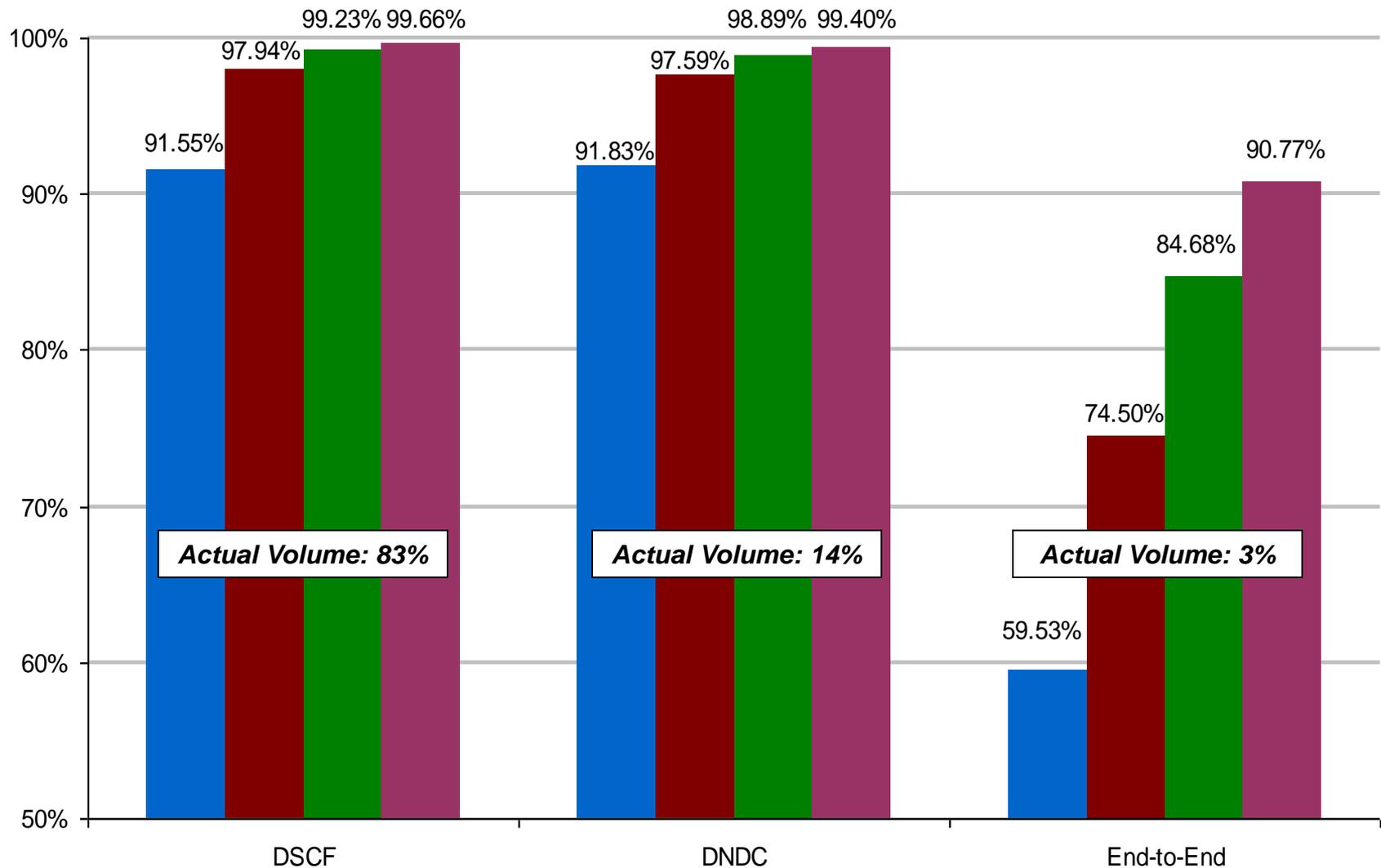
■ DSCF - Volume
 ■ DNDC - Volume
 —■— DSCF - %
 —◆— DNDC - %

Q2 TD	Total Pieces Measured	Part 1 % On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Overall QTD Score
SCF Letters	918,279,528	91.26%	-1.41%	89.85%	90.00%	80.17%
NDC Letters	146,805,152	91.63%	-1.69%	89.94%	90.00%	78.82%
E2E Letters	36,412,771	60.27%	-1.09%	59.18%	90.00%	44.96%

Destination Entry and End-to-End Last Mile Impacts decreased



Standard (Letters) by Service Variance QTD Through 1/25



■ QTD Score ■ If Service Variance +1 ■ If Service Variance +2 ■ If Service Variance +3

Note: Volumes may not sum to 100% due to rounding.

SCF Letters – Q2 1/1-2/1

Facility	% On-time	% of Total failures	% Score impact
NORTH HOUSTON	67.52%	4.35%	0.38%
SAN ANTONIO	63.98%	3.90%	0.34%
DOMINICK V DANIELS	83.16%	3.03%	0.26%
BIRMINGHAM	81.00%	2.70%	0.24%
MICHIGAN METROPLEX	84.01%	2.64%	0.23%
HOUSTON	76.17%	2.51%	0.22%
PALATINE	69.90%	2.40%	0.21%
KANSAS CITY	82.74%	2.25%	0.20%
NASHVILLE	79.08%	2.21%	0.19%
FORT WORTH	85.61%	2.18%	0.19%
SAINT LOUIS NDC	84.12%	1.70%	0.15%
LOS ANGELES	91.33%	1.61%	0.14%
SACRAMENTO	88.00%	1.59%	0.14%
TULSA	78.34%	1.41%	0.12%
HARTFORD *	86.74%	1.39%	0.12%
PITTSBURGH *	90.92%	1.36%	0.12%
BROOKLYN	82.83%	1.34%	0.12%
WEST PALM BEACH	82.89%	1.32%	0.12%
NORTH TEXAS	89.51%	1.26%	0.11%
BOSTON	80.86%	1.26%	0.11%

SCF Letters – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
PALATINE	28.91%	5.45%	0.53%
SAN ANTONIO	57.38%	3.74%	0.36%
NASHVILLE	68.23%	3.40%	0.33%
SAINT LOUIS NDC	69.19%	3.19%	0.31%
NORTH HOUSTON	76.35%	2.85%	0.28%
MICHIGAN METROPLEX	84.98%	2.57%	0.25%
FORT WORTH	78.25%	2.52%	0.24%
DOMINICK V DANIELS	84.40%	2.34%	0.23%
KANSAS CITY	80.30%	2.14%	0.21%
PITTSBURGH *	86.84%	1.76%	0.17%
LOS ANGELES	90.26%	1.70%	0.16%
DAYTON	69.83%	1.59%	0.15%
CLEVELAND *	80.46%	1.56%	0.15%
COLUMBUS	80.90%	1.50%	0.14%
CENTRAL MA *	59.44%	1.45%	0.14%
WEST PALM BEACH	82.39%	1.41%	0.14%
SAN BERNARDINO	85.42%	1.40%	0.14%
CAROL STREAM *	82.88%	1.39%	0.13%
TULSA	76.12%	1.32%	0.13%
PHILADELPHIA *	89.23%	1.31%	0.13%

* Site affected by Network Rationalization

NDC Letters Q2 1/1-2/1

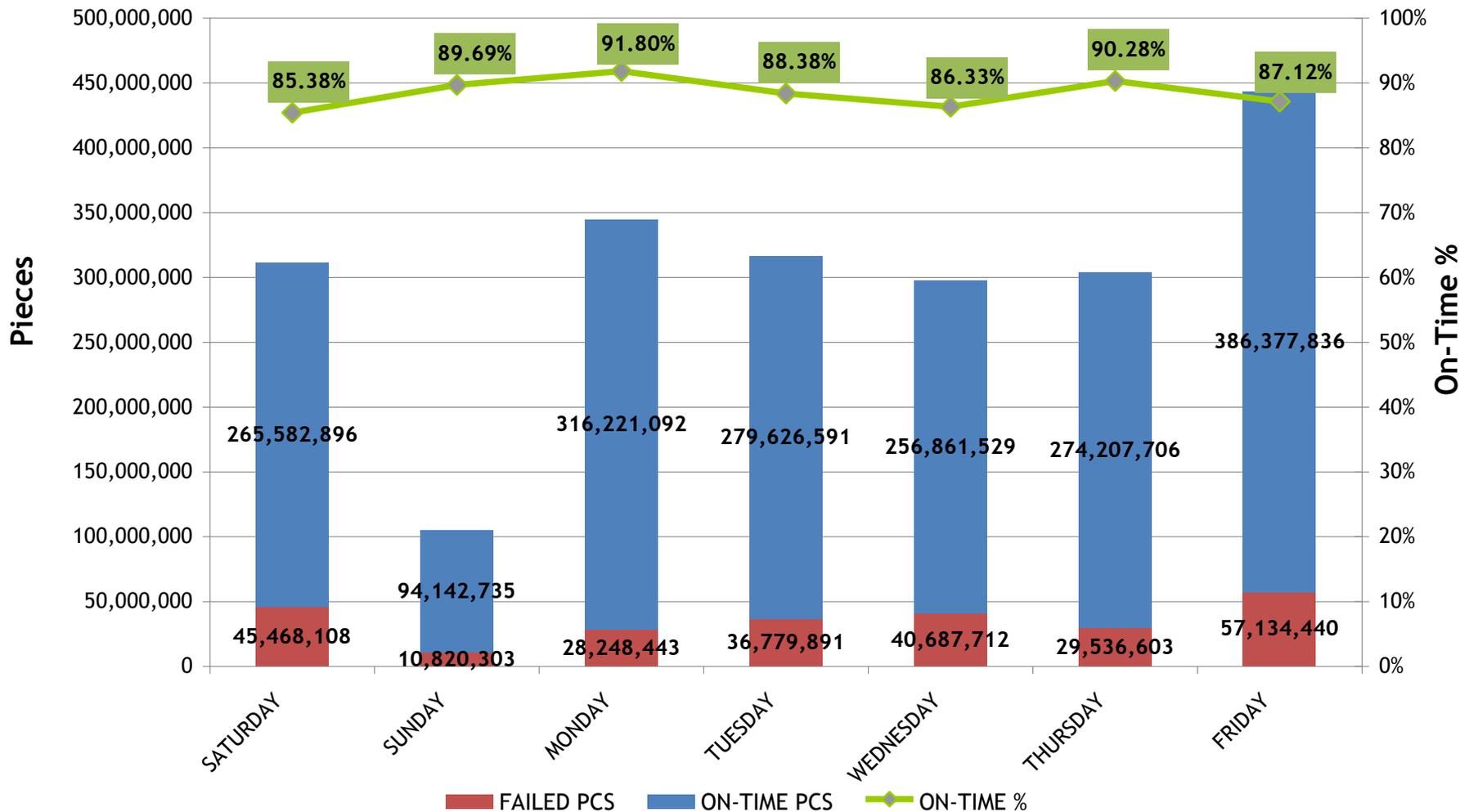
Facility	% On-time	% of Total failures	% Score impact
DALLAS NDC	88.10%	15.46%	1.29%
JACKSONVILLE NDC	87.52%	12.07%	1.01%
SAN FRANCISCO NDC	86.22%	8.07%	0.68%
CHICAGO NDC	87.63%	6.76%	0.57%
SPRINGFIELD NDC	86.61%	6.48%	0.54%
GREENSBORO NDC	91.62%	6.33%	0.53%
MEMPHIS NDC	91.25%	4.80%	0.40%
DES MOINES NDC	87.86%	4.80%	0.40%
WASHINGTON NDC	93.01%	4.34%	0.36%
ATLANTA NDC	93.78%	4.23%	0.35%
DETROIT	94.69%	4.12%	0.34%
PITTSBURGH NDC	93.02%	4.04%	0.34%
CINCINNATI NDC	94.60%	3.60%	0.30%
SEATTLE NDC	95.08%	3.43%	0.29%
MINNEAPOLIS SAINT PAUL NDC	97.12%	2.55%	0.21%
DENVER NDC	92.59%	2.47%	0.21%
PHILADELPHIA NDC	94.64%	2.41%	0.20%
SAINT LOUIS NDC	94.55%	1.86%	0.16%
NEW JERSEY NDC	87.56%	0.96%	0.08%
LOS ANGELES NDC	92.36%	0.47%	0.04%
KANSAS CITY NDC	91.91%	0.34%	0.03%
SALT LAKE CITY ASF	93.69%	0.15%	0.01%
OKLAHOMA CITY	93.00%	0.05%	0.00%
BILLINGS	98.85%	0.05%	0.00%

NDC Letters – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
JACKSONVILLE NDC	82.71%	18.04%	1.66%
CHICAGO NDC	75.72%	12.81%	1.18%
DALLAS NDC	87.69%	12.21%	1.13%
SAN FRANCISCO NDC	86.51%	7.52%	0.69%
SPRINGFIELD NDC	87.30%	6.17%	0.57%
MEMPHIS NDC	89.18%	5.01%	0.46%
DES MOINES NDC	83.39%	4.84%	0.45%
DETROIT	94.59%	3.96%	0.36%
GREENSBORO NDC	94.29%	3.95%	0.36%
ATLANTA NDC	94.52%	3.69%	0.34%
PITTSBURGH NDC	94.00%	3.01%	0.28%
CINCINNATI NDC	95.08%	2.89%	0.27%
SEATTLE NDC	95.31%	2.87%	0.26%
WASHINGTON NDC	94.38%	2.86%	0.26%
MINNEAPOLIS SAINT PAUL NDC	96.79%	2.50%	0.23%
DENVER NDC	90.32%	2.48%	0.23%
PHILADELPHIA NDC	95.68%	1.89%	0.17%
SAINT LOUIS NDC	95.98%	1.57%	0.14%
LOS ANGELES NDC	91.39%	0.62%	0.06%
NEW JERSEY NDC	92.86%	0.51%	0.05%
KANSAS CITY NDC	92.51%	0.32%	0.03%
FARGO	91.31%	0.11%	0.01%
SALT LAKE CITY ASF	97.07%	0.07%	0.01%
OKLAHOMA CITY	88.23%	0.04%	0.00%

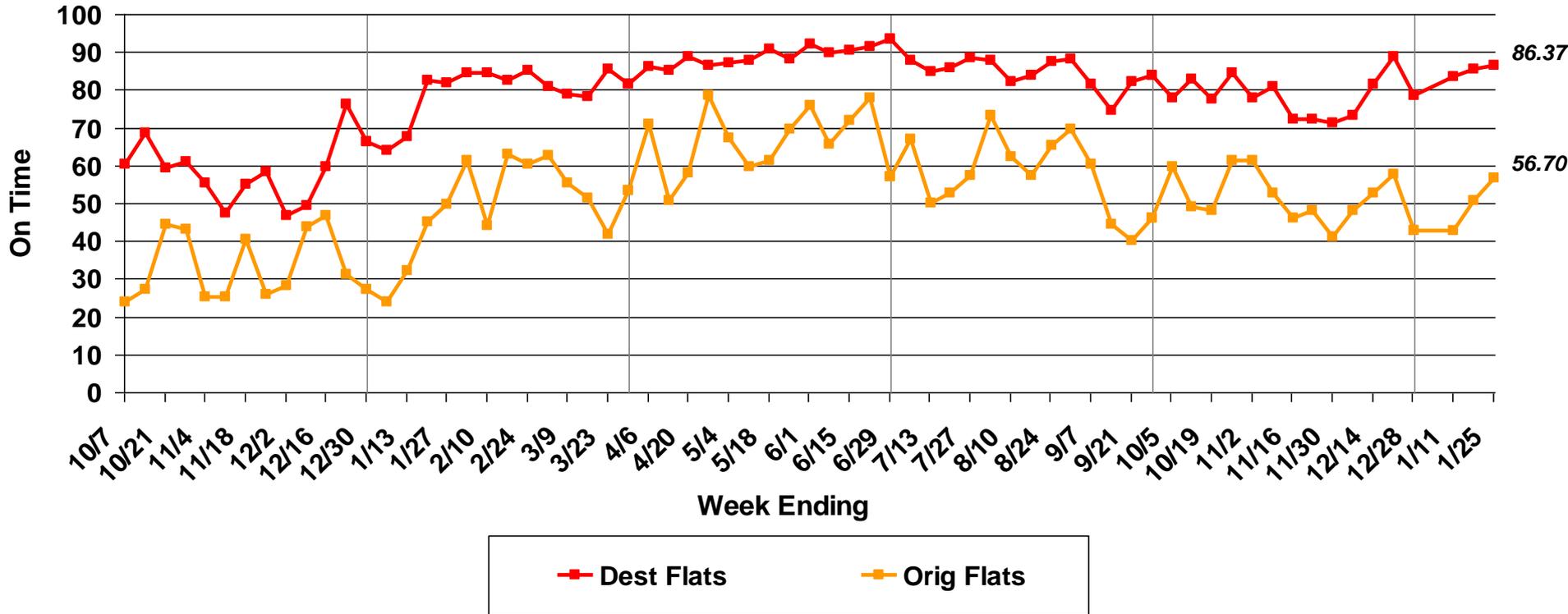
* Site affected by Network Rationalization

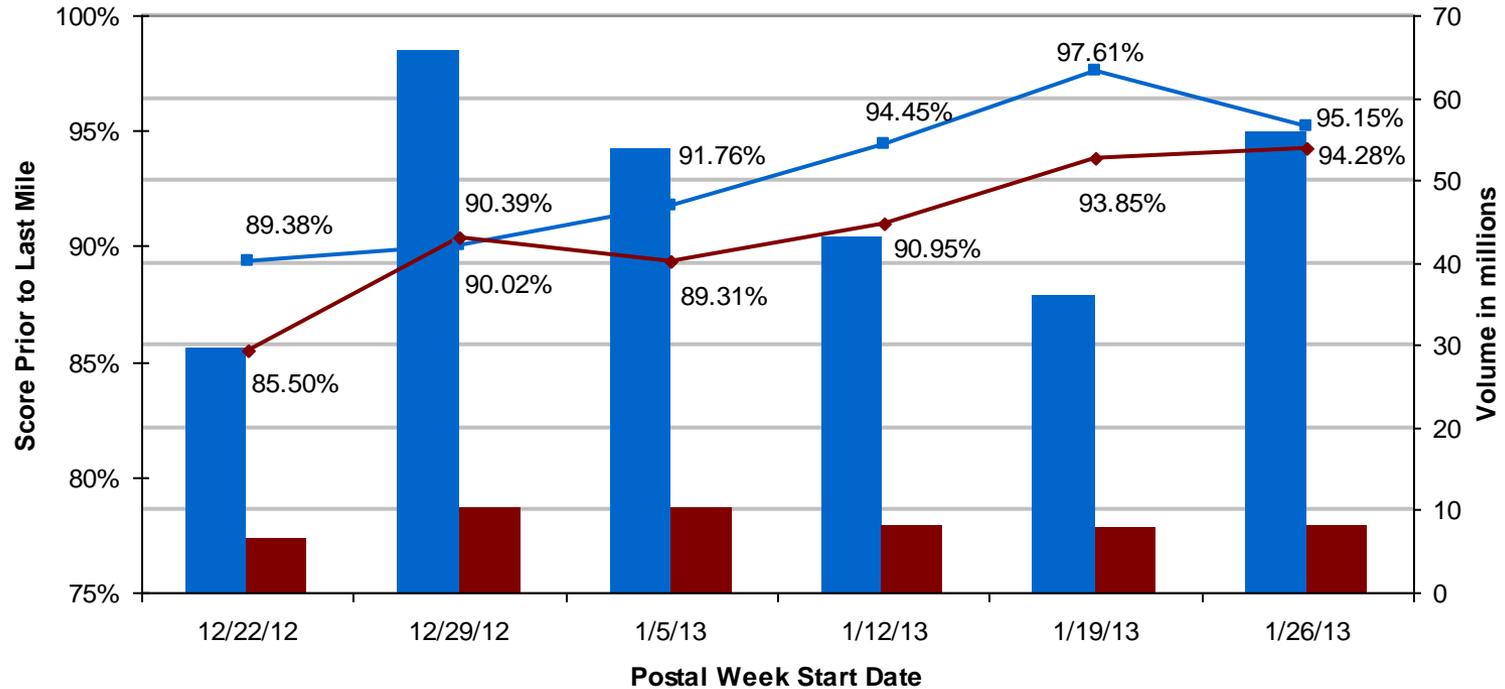
NATIONAL STC BY DAY OF THE WEEK ANALYSIS QTR 1 2013



Standard Flats

**Standard Mail FY12 to FY13 Performance
By Week through Jan 25, 2013**

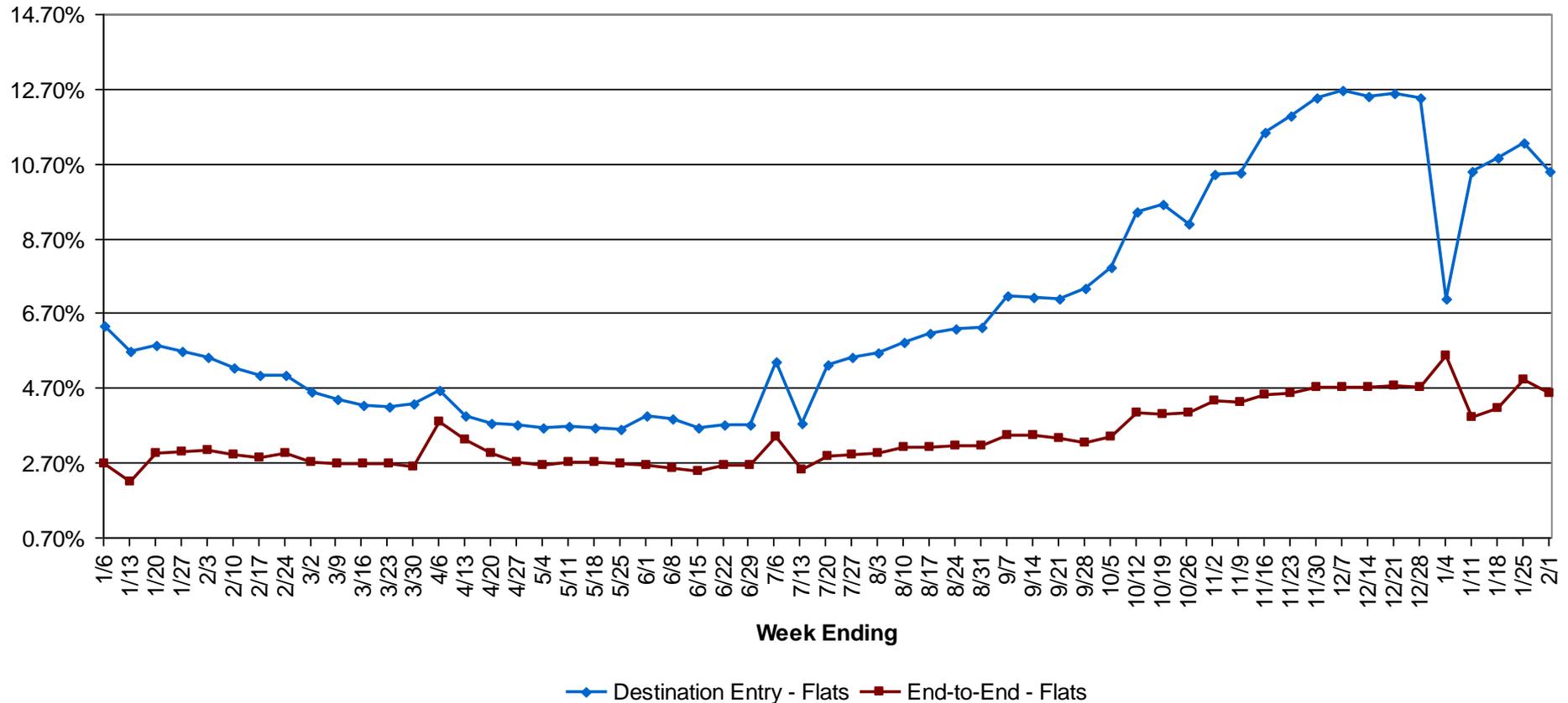




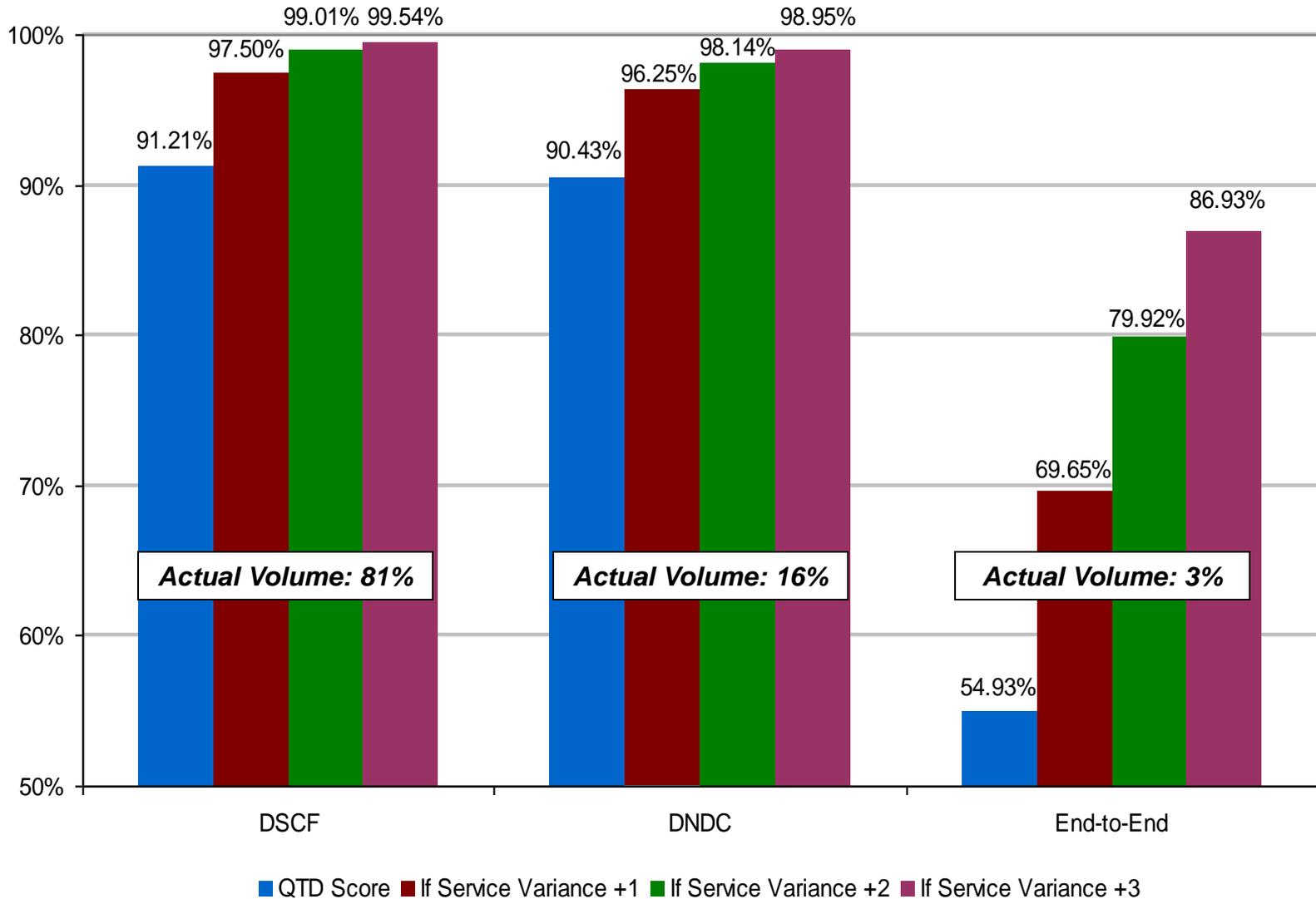
■ DSCF - Volume
 ■ DNDC - Volume
 —■— DSCF - %
 —◆— DNDC - %

Q2 TD	Total Pieces Measured	Part 1 % On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Overall QTD Score
SCF Flats	214,986,022	92.24%	-11.11%	81.13%	90.00%	66.43%
NDC Flats	40,695,512	91.21%	-6.12%	85.09%	90.00%	69.18%
E2E Flats	6,861,425	55.31%	-4.56%	50.75%	90.00%	46.20%

Last Mile Impact decreased for both Destination Entry and End-to-End



Standard (Flats) by Service Variance QTD Through 1/25



Note: Volumes may not sum to 100% due to rounding.

SCF Flats – Q2 1/1-2/1

Facility	% On-time	% of Total failures	% Score impact
CHICAGO METRO SURFACE HUB	77.82%	7.11%	0.73%
SOUTH FLORIDA L & DC	79.55%	5.08%	0.52%
MID ISLAND	80.34%	3.91%	0.40%
DOMINICK V DANIELS	87.02%	3.41%	0.35%
MICHIGAN METROPLEX	86.51%	2.51%	0.26%
LOS ANGELES	89.73%	2.50%	0.26%
WESTCHESTER	80.04%	2.40%	0.25%
ORLANDO MP ANNEX	81.14%	2.40%	0.25%
CENTRAL MA *	87.95%	2.32%	0.24%
PHOENIX STC	88.43%	2.20%	0.23%
BOSTON	89.26%	2.17%	0.22%
STAMFORD	77.38%	2.12%	0.22%
SAN DIEGO	83.71%	2.04%	0.21%
SAN BERNARDINO	85.82%	2.00%	0.21%
OAKLAND	88.48%	1.97%	0.20%
PHILADELPHIA *	89.24%	1.92%	0.20%
KANSAS CITY NDC	79.45%	1.90%	0.20%
SOUTHEASTERN	77.89%	1.87%	0.19%
CLEVELAND *	83.69%	1.86%	0.19%
NORTH HOUSTON	80.94%	1.78%	0.18%

SCF Flats – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
CHICAGO METRO SURFACE HUB	86.20%	7.23%	0.47%
LOS ANGELES	86.06%	5.34%	0.34%
DOMINICK V DANIELS	88.37%	4.40%	0.28%
MICHIGAN METROPLEX	85.76%	4.25%	0.27%
PHOENIX STC	85.46%	4.10%	0.26%
BOSTON	88.31%	4.00%	0.26%
SOUTH FLORIDA L & DC	92.89%	3.19%	0.21%
MID ISLAND	88.53%	3.16%	0.20%
SAN DIEGO	90.14%	2.14%	0.14%
SAINT LOUIS NDC	63.91%	1.92%	0.12%
KANSAS CITY NDC	87.00%	1.86%	0.12%
ORLANDO MP ANNEX	91.95%	1.70%	0.11%
CLEVELAND *	91.03%	1.69%	0.11%
COLUMBUS	93.31%	1.66%	0.11%
SAN BERNARDINO	92.13%	1.65%	0.11%
WESTCHESTER	89.95%	1.65%	0.11%
SAINT PAUL	85.21%	1.59%	0.10%
OAKLAND	92.66%	1.56%	0.10%
SPRINGFIELD LDC	93.76%	1.42%	0.09%
TAMPA L&DC	88.07%	1.35%	0.09%

* Site affected by Network Rationalization

NDC Flats – Q2 1/1-2/1

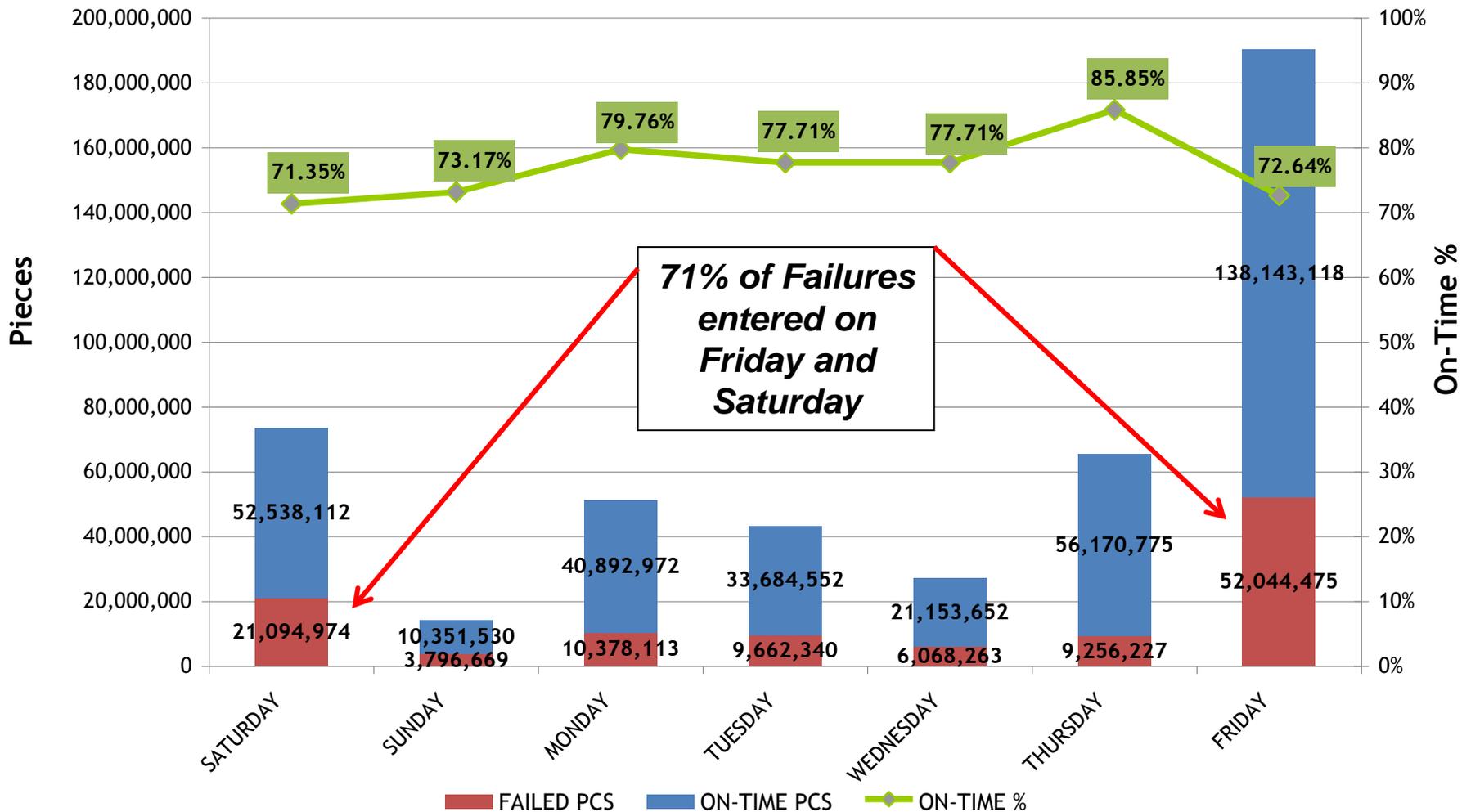
Facility	% On-time	% of Total failures	% Score impact
DALLAS NDC	81.88%	18.09%	1.86%
CHICAGO NDC	87.22%	9.78%	1.00%
SAN FRANCISCO NDC	83.49%	9.70%	0.99%
JACKSONVILLE NDC	90.10%	8.19%	0.84%
PHILADELPHIA NDC	81.24%	7.16%	0.73%
MEMPHIS NDC	88.70%	6.22%	0.64%
WASHINGTON NDC	89.80%	5.69%	0.58%
SEATTLE NDC	91.49%	4.99%	0.51%
CINCINNATI NDC	91.25%	4.36%	0.45%
ATLANTA NDC	90.37%	4.02%	0.41%
PITTSBURGH NDC	91.89%	3.93%	0.40%
MINNEAPOLIS SAINT PAUL NDC	94.96%	3.44%	0.35%
GREENSBORO NDC	95.02%	2.92%	0.30%
DES MOINES NDC	91.94%	2.55%	0.26%
DETROIT NDC *	94.30%	2.38%	0.24%
SPRINGFIELD LDC	94.67%	2.12%	0.22%
NEW JERSEY NDC	75.74%	1.37%	0.14%
DENVER NDC	95.93%	1.32%	0.14%
SAINT LOUIS NDC	93.43%	0.79%	0.08%
LOS ANGELES NDC	77.43%	0.49%	0.05%
KANSAS CITY NDC	97.45%	0.42%	0.04%
SPRINGFIELD NDC	74.94%	0.05%	0.01%
PHOENIX STC	99.66%	0.00%	0.00%

NDC Flats – 1/26-2/1

Facility	% On-time	% of Total failures	% Score impact
DALLAS NDC	87.20%	19.94%	1.42%
SAN FRANCISCO NDC	85.69%	12.38%	0.88%
CHICAGO NDC	92.03%	10.72%	0.76%
JACKSONVILLE NDC	92.93%	10.45%	0.74%
ATLANTA NDC	90.79%	5.69%	0.40%
MEMPHIS NDC	94.41%	4.71%	0.33%
GREENSBORO NDC	93.47%	4.30%	0.31%
CINCINNATI NDC	93.37%	4.19%	0.30%
SEATTLE NDC	95.36%	3.78%	0.27%
DETROIT NDC *	92.45%	3.45%	0.25%
MINNEAPOLIS SAINT PAUL NDC	96.95%	3.36%	0.24%
DES MOINES NDC	93.89%	3.34%	0.24%
PITTSBURGH NDC	93.98%	3.21%	0.23%
SPRINGFIELD LDC	96.02%	2.45%	0.17%
WASHINGTON NDC	95.86%	2.45%	0.17%
PHILADELPHIA NDC	94.81%	2.18%	0.15%
DENVER NDC	96.62%	1.36%	0.10%
SAINT LOUIS NDC	94.77%	1.23%	0.09%
KANSAS CITY NDC	98.15%	0.58%	0.04%
NEW JERSEY NDC	86.14%	0.12%	0.01%
LOS ANGELES NDC	97.98%	0.09%	0.01%
PHOENIX STC	98.74%	0.00%	0.00%
SPRINGFIELD NDC	0.00%	0.00%	0.00%

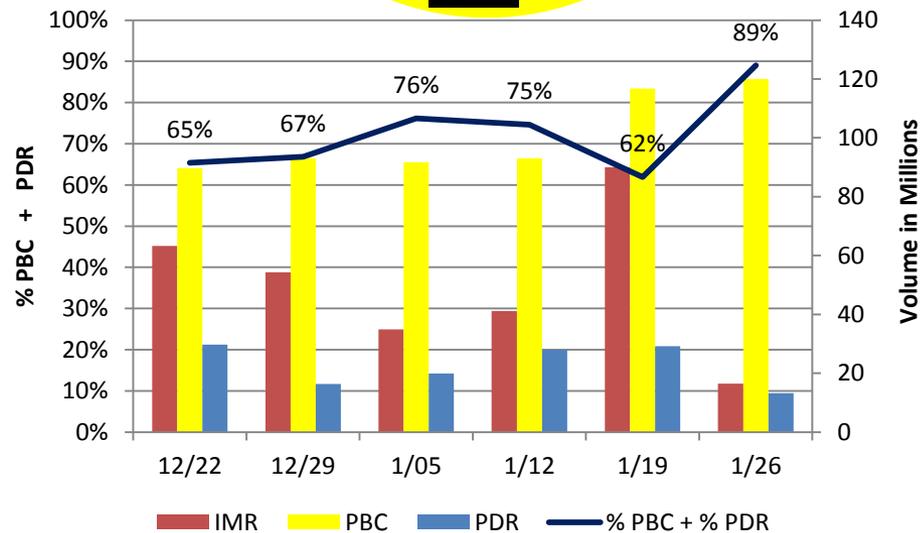
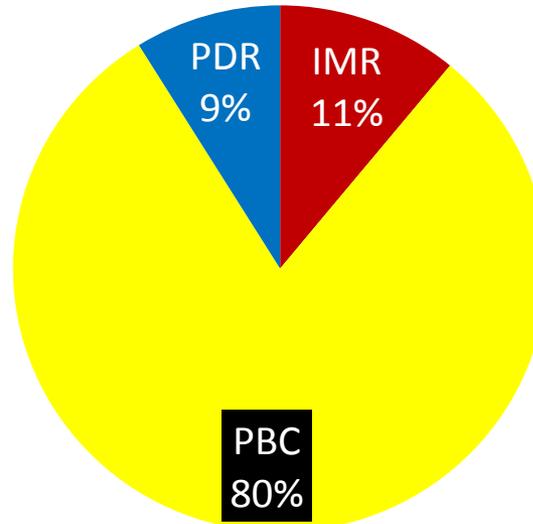
* Site affected by Network Rationalization

NATIONAL STC BY DAY OF THE WEEK ANALYSIS QTR 1 2013



PDR + PBC = 89%

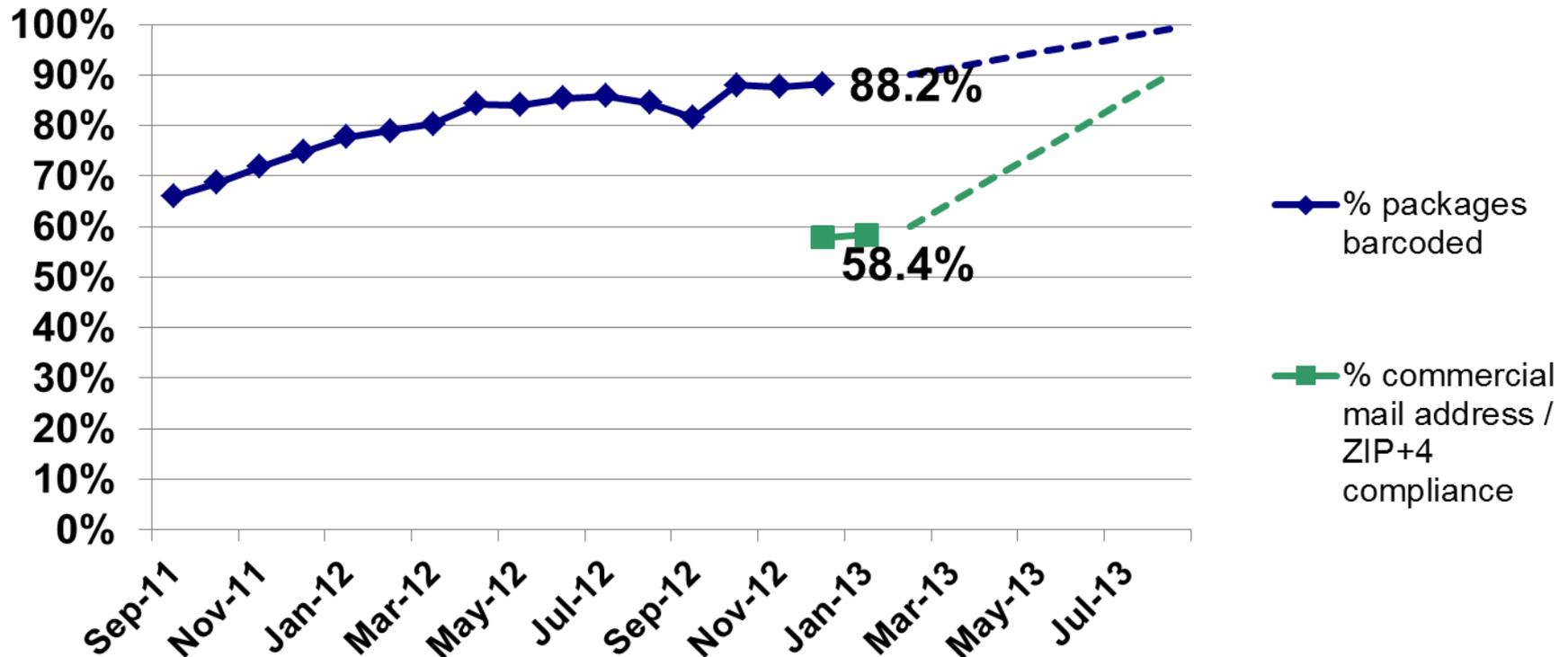
Mailing Dates: 1/26 – 2/01



Packages
1:30 p.m. – 3:00 p.m.

Dynamic routing requires all packages must be barcoded and have either delivery address or ZIP+4 information associated.

- 88% of packages are barcoded
- Mailers provide address/ZIP+4 information for 58% of barcodes
- OCR captures ZIP+4 information for 37% of Retail packages



Barcoding Gaps

Gaps	Potential Solutions	Impact
No requirements for meter mail and non-discounted commercial mail	<ul style="list-style-type: none"> Require barcoding Provide pre-printed labels to mailers Apply barcodes in Operations (if necessary) 	7.5%
Exceptions provided for over 300 mailers	Exceptions being phased out during 2013	4.5%



Label 400 barcode

Impact of Exceptions on Barcoding

- The top 10 mailers with exceptions account for 98% of all exception volume

Barcoding by mailers with Exceptions				
	Parcel Select		Bound Printed Matter	
Mailers	Volume	BC %	Volume	BC %
Top Ten	80,529,623	92.63%	15,241,861	69.32%
All Others	746,004	14.32%	888,240	38.41%

- **300 exceptions were granted**
 - 72 ended February 1
 - 197 will end April 1
 - 294 will end July 31
 - There are 6 exceptions that extend beyond August

Sortation / Dynamic Routing Data

Gaps	Solutions
Incomplete manifest data	Require 90% compliance by July 2013 95% by January 2014
Late submission of manifest by DDU mailers	Exclude from Saturday delivery
Limited capture of address data on Retail and meter pieces	<ul style="list-style-type: none">• Maximize use of APPS/APBS OCR capability• Upgrade REC keying to capture 9-digit information
Some mailers not required to manifest	Require manifesting for all mailers effective July 2013

Delivery Sortation System



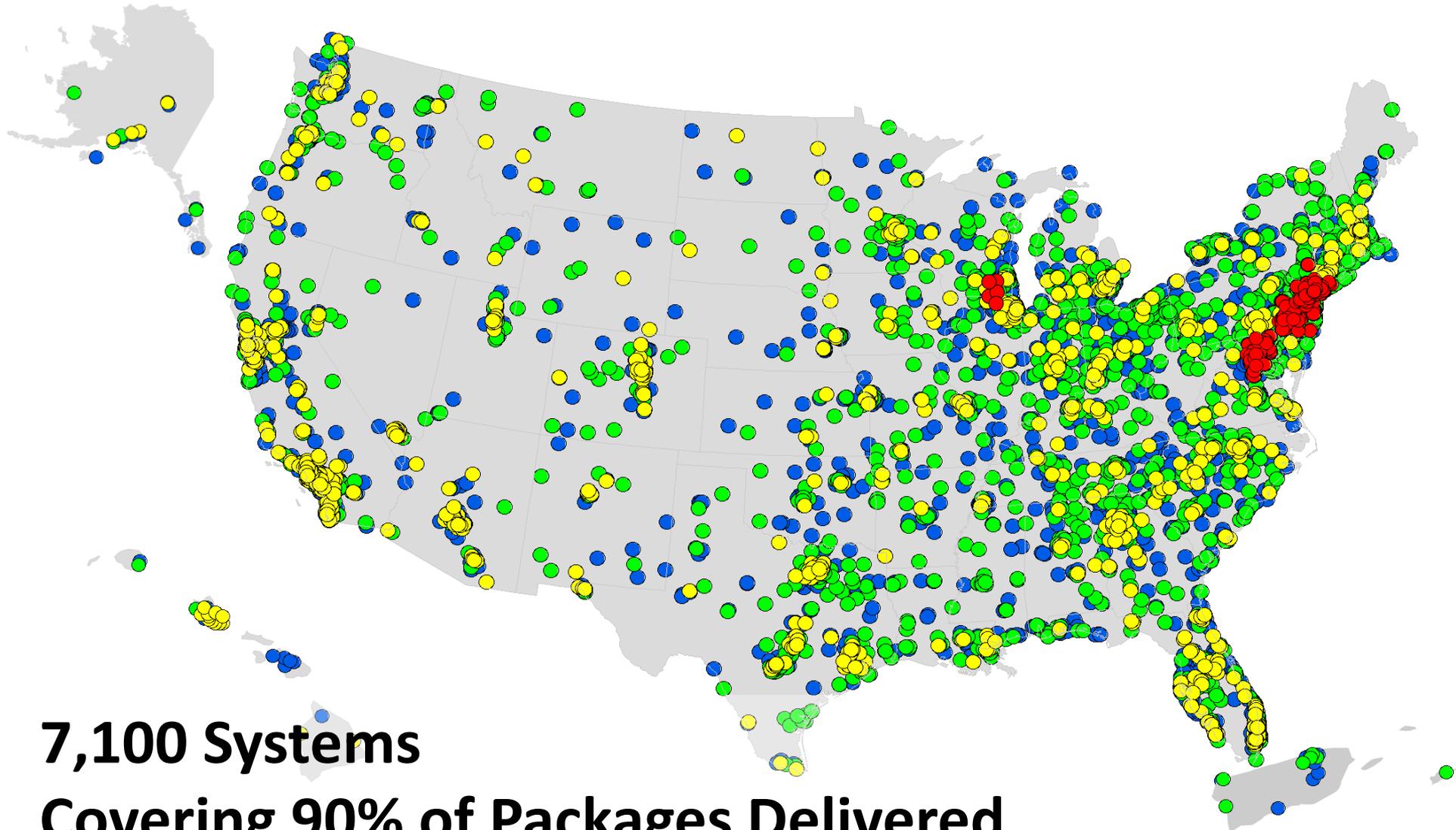
PASS



PASS Lite & DSS



Total Planned Deployment – 22,150



**7,100 Systems
Covering 90% of Packages Delivered**

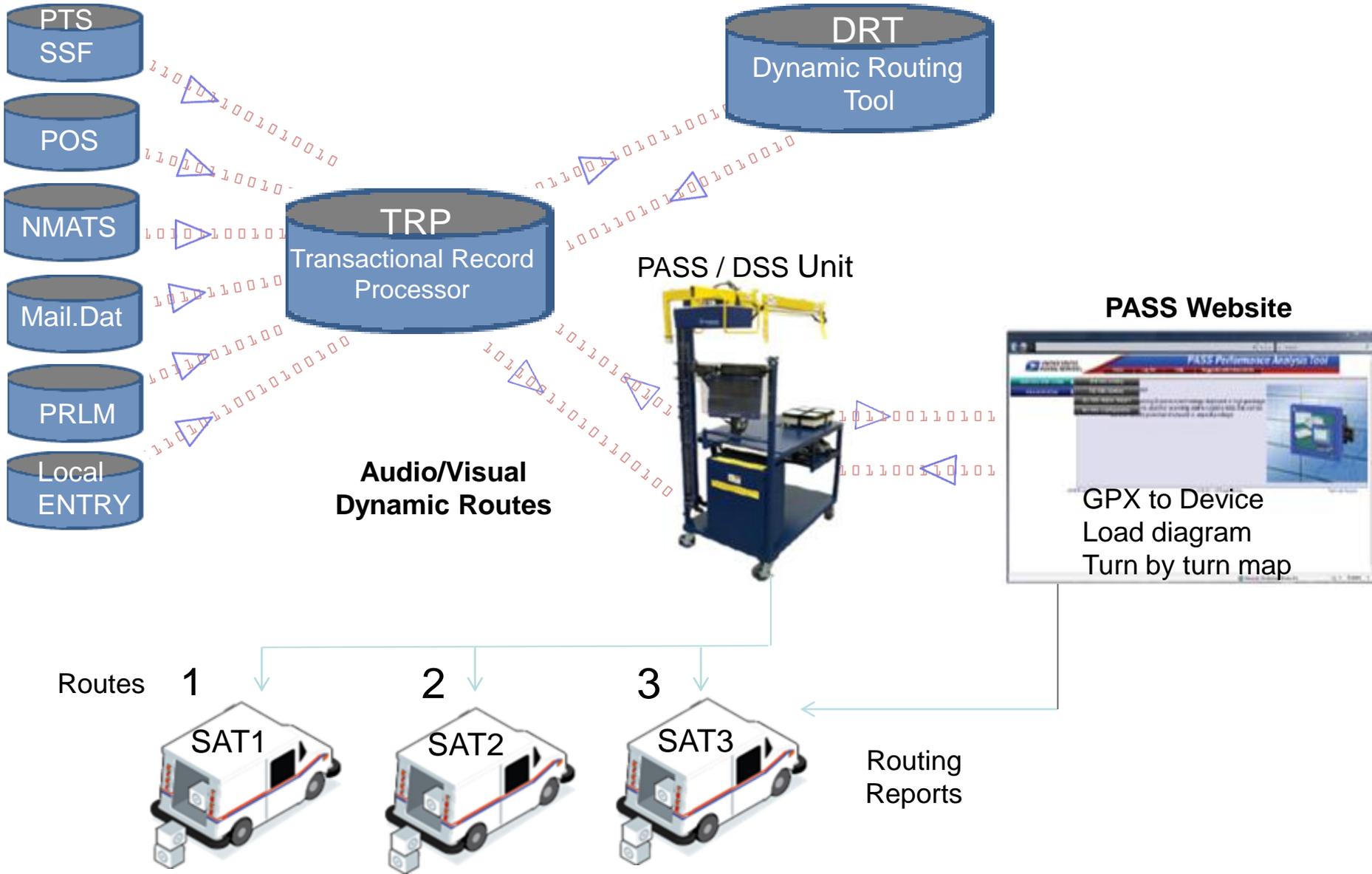
Dynamic Routing / Saturday Delivery

What is needed?

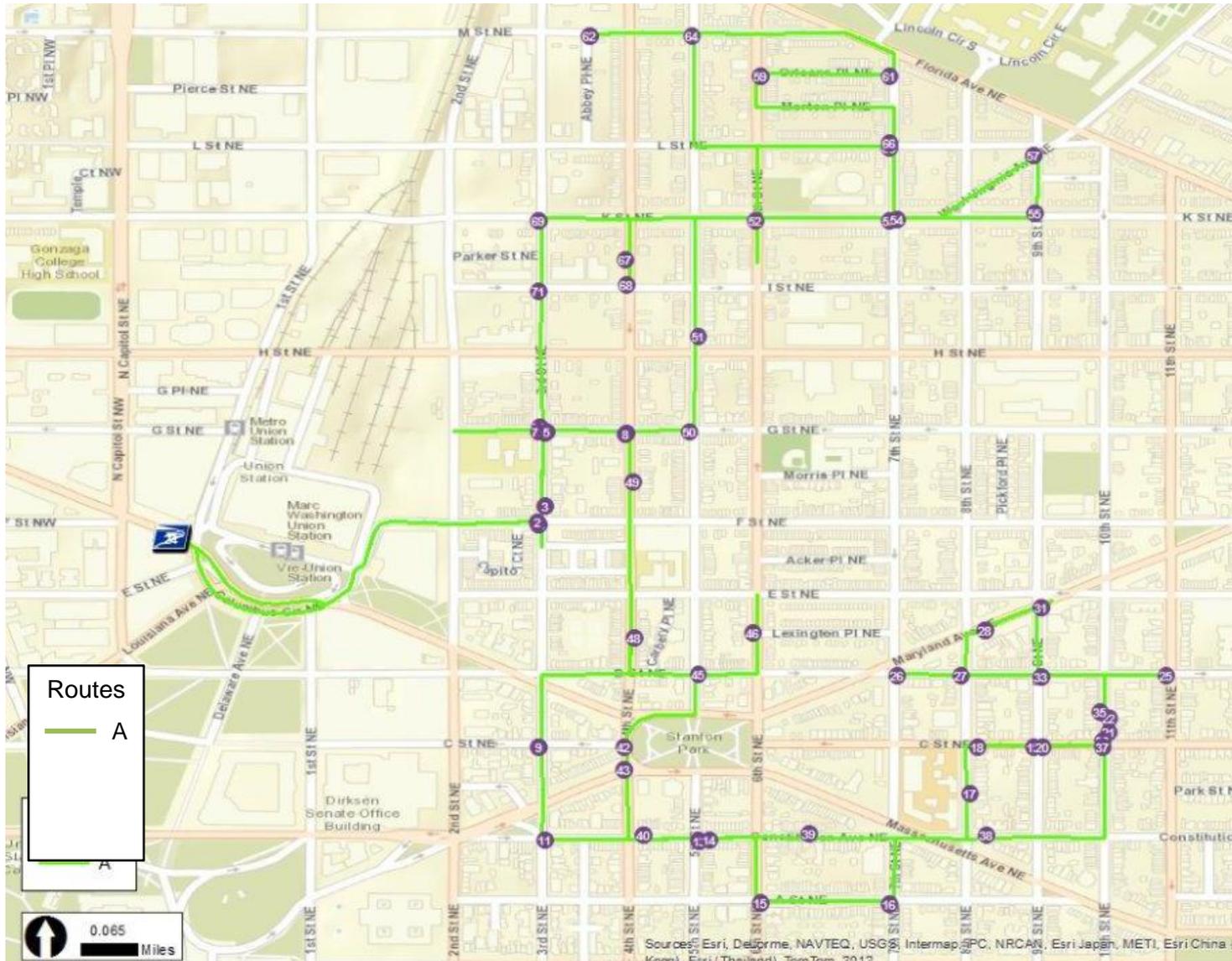
- Barcode on every package
- Delivery data associated with that barcode
- PASS/DSS equipment
- OCR/REC strategy for package processing
- Mobile device to receive data

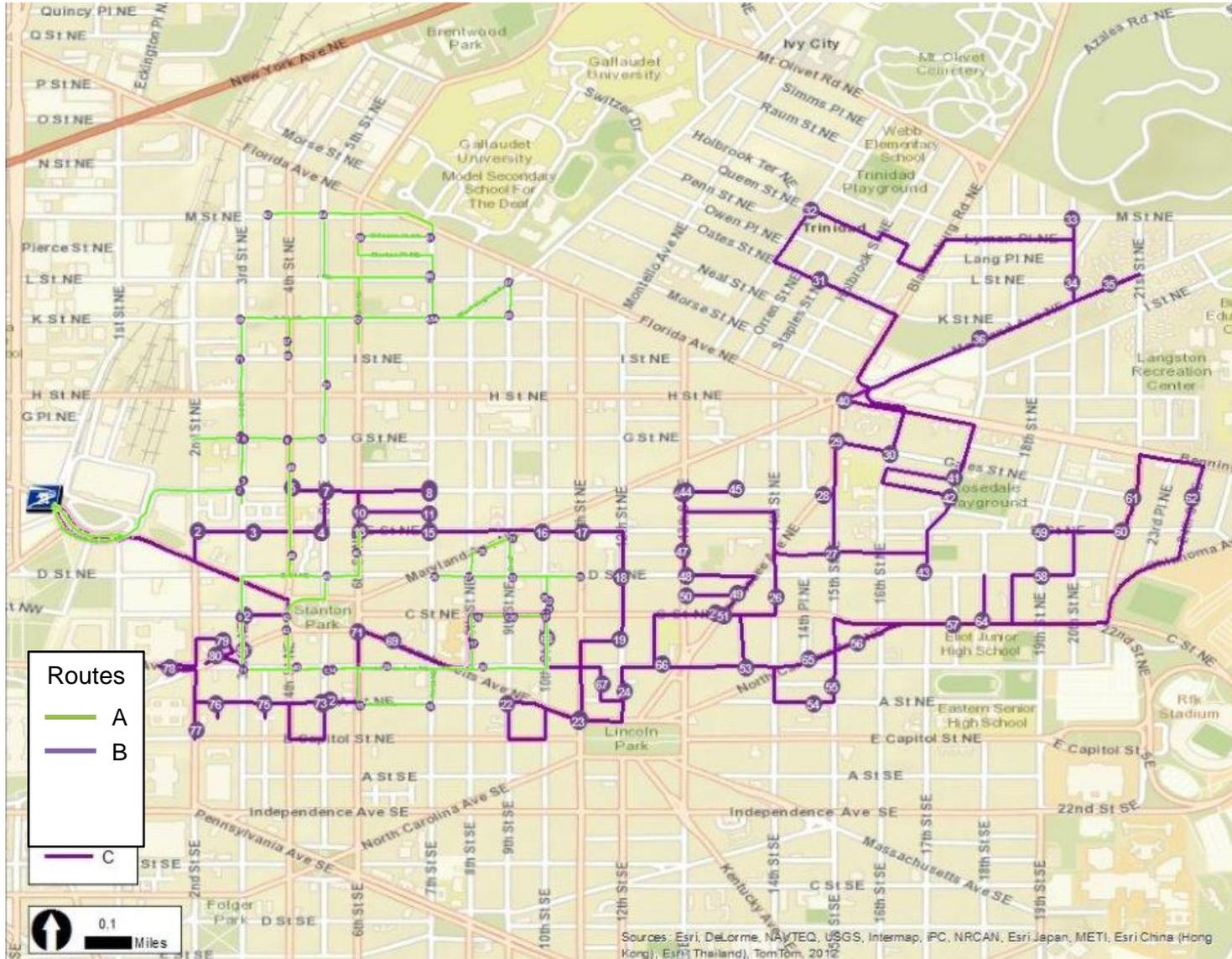
What is the output?

- Staffing and scheduling
- Route design
- Parcel distribution by segment
- LLV load sequence
- Turn-by-turn line of travel
- Map of delivery
- GXP file sent to device

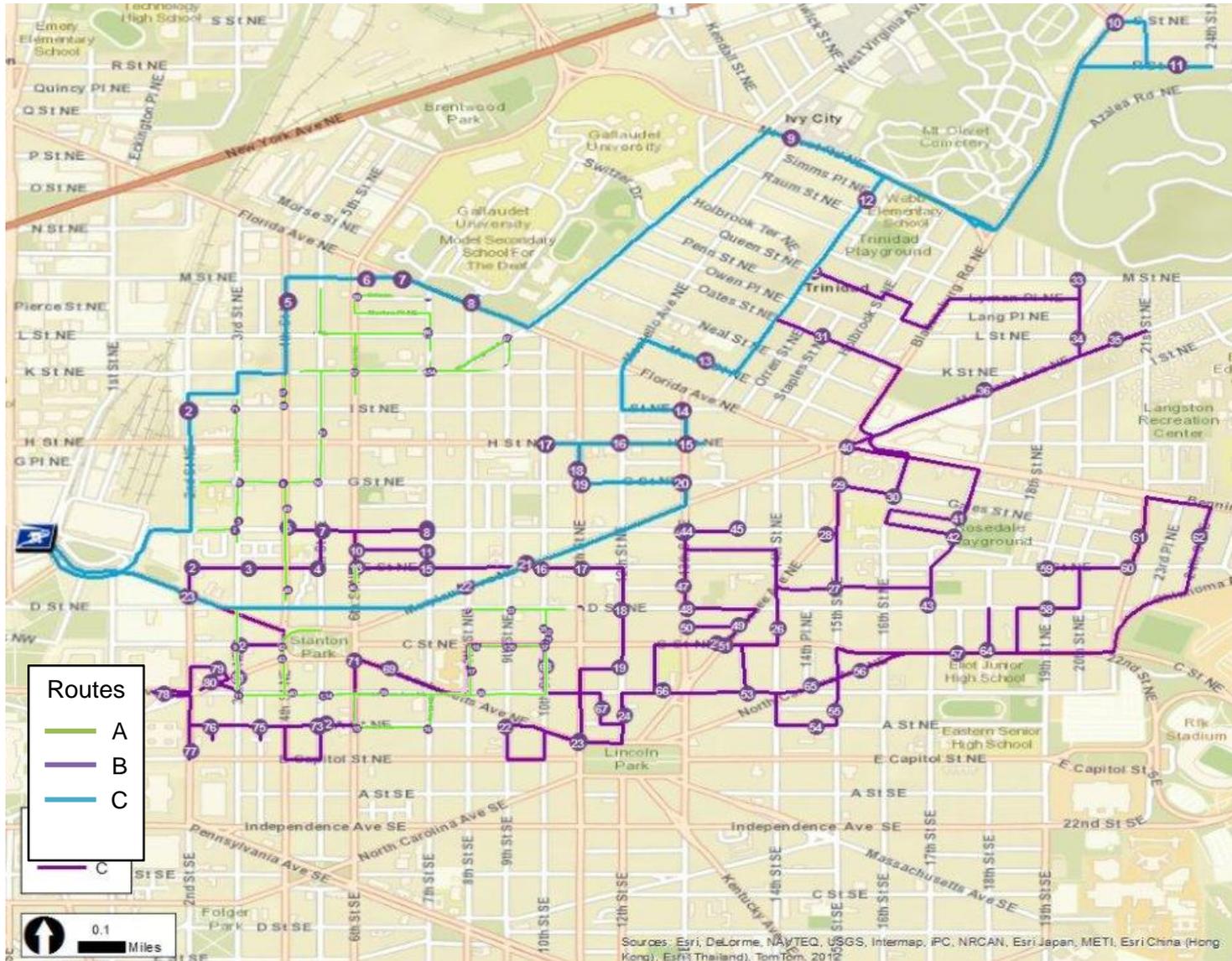


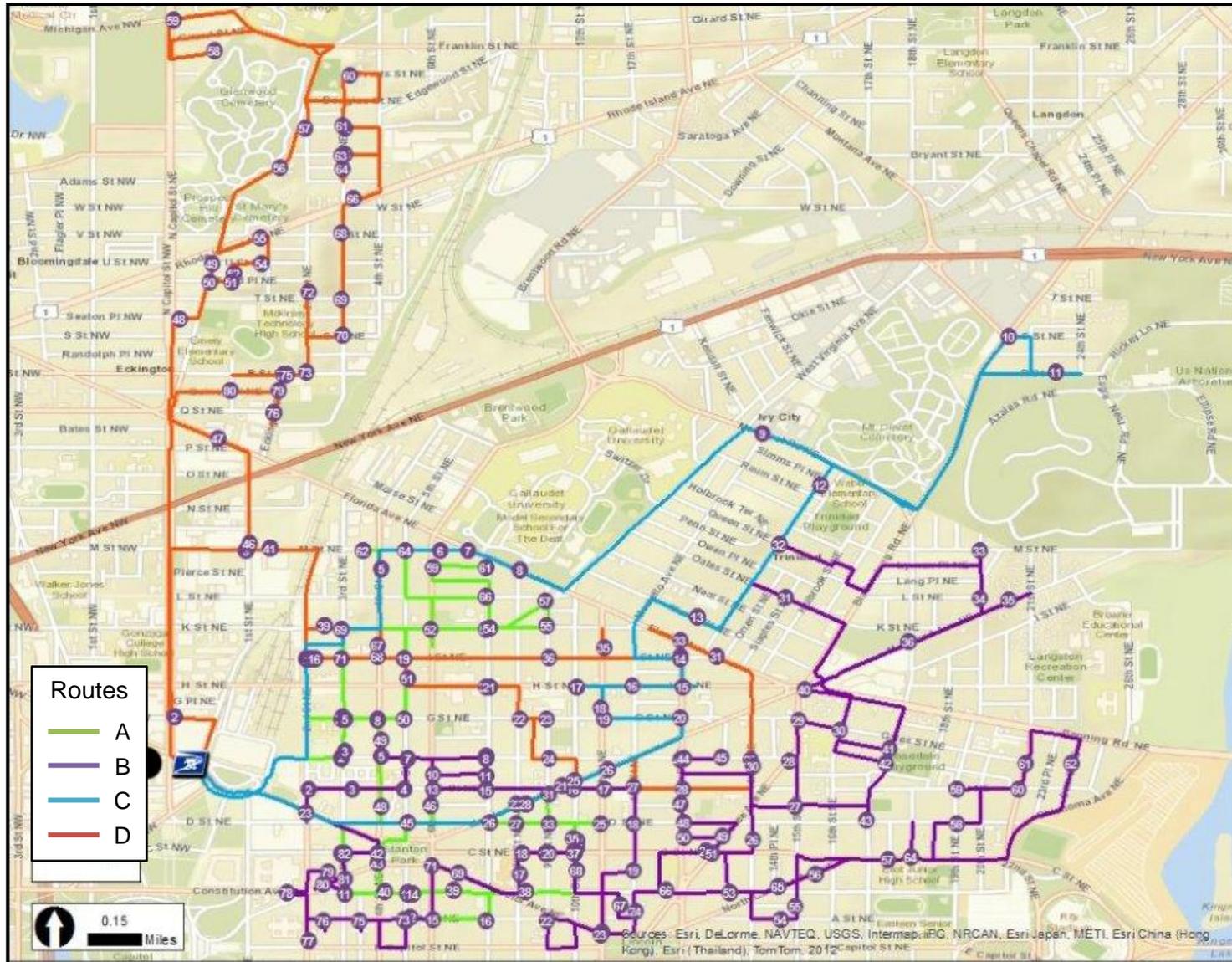
Testing Dynamic Routing in Washington DC





Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri Thailand, TomTom, 2012



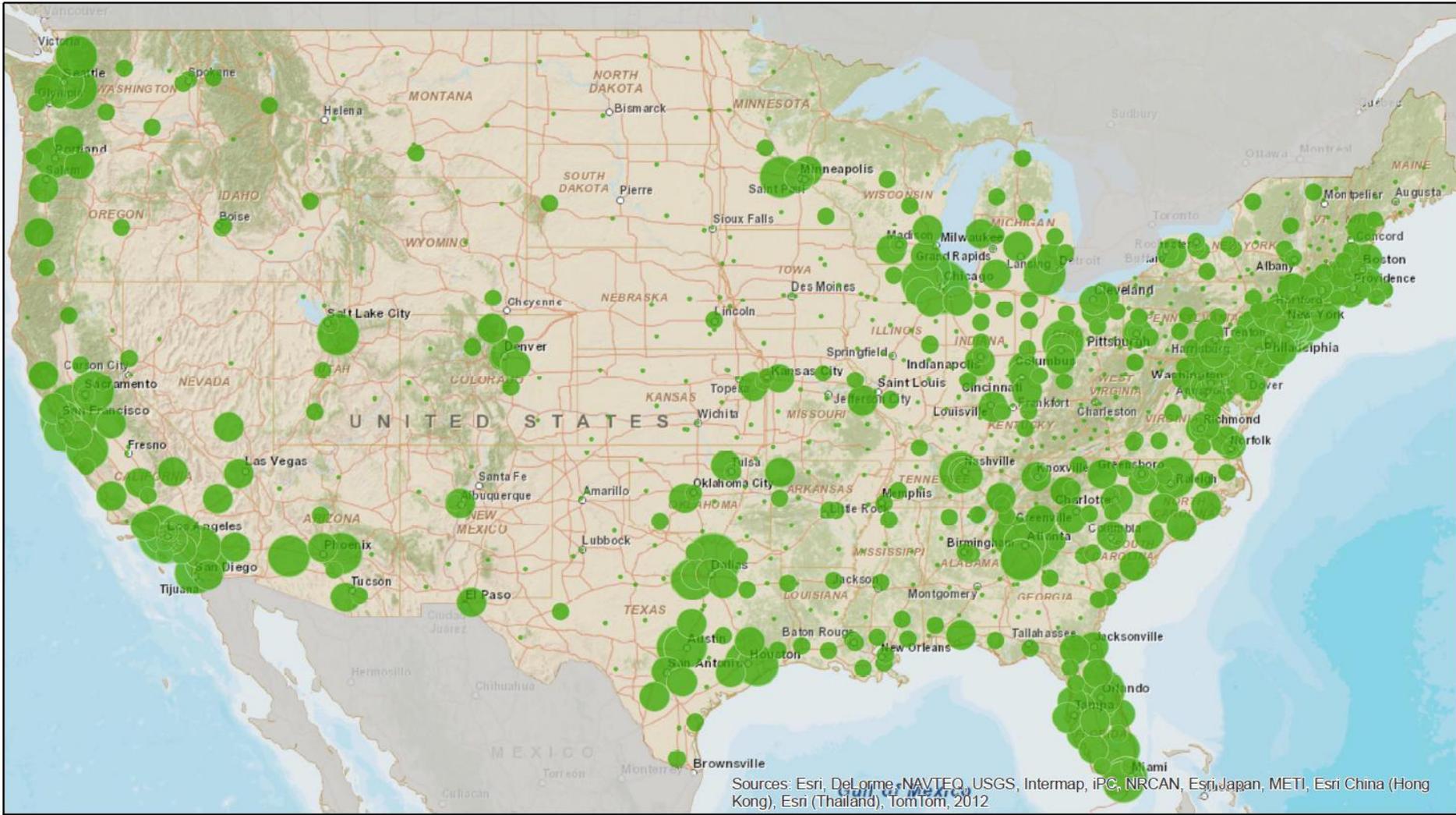


LLV Segments for Mail Loading



- **Provides real-time communications and GPS**
- **Wireless tether for existing IMD to minimize cost**
- **Reduce posting of data from 5 hours to 20 minutes**

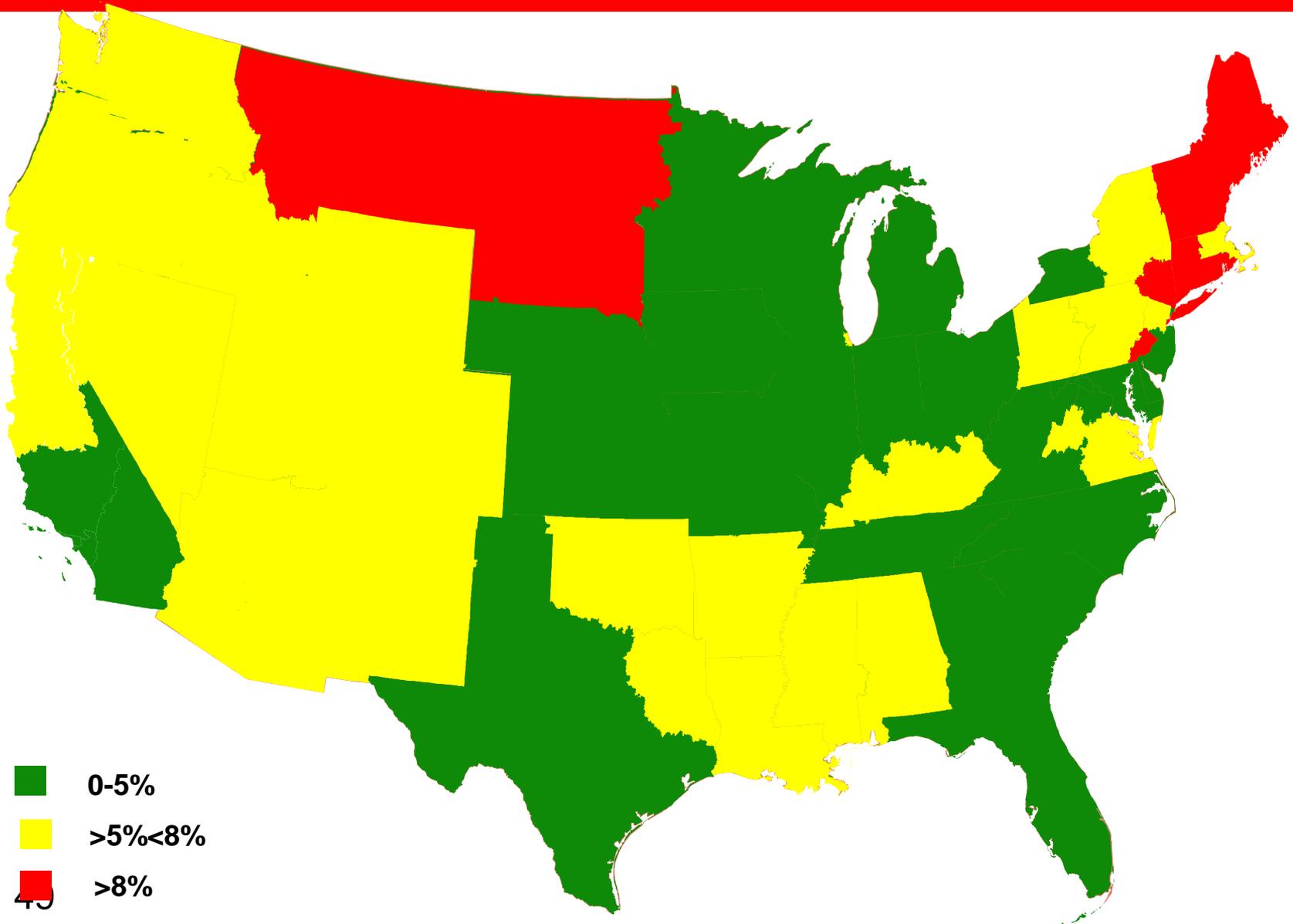




240

Miles

Percentage of Deliveries not made on First Attempt



-  0-5%
-  >5% < 8%
-  >8%



PARCEL LOCKERS

<i>CATEGORY</i>	<i>July 2013</i>	<i>January 2014</i>	<i>July 2014</i>
Unique Trackable Barcode (Legacy or IMpb)	97%	98%	99%
ZIP+4/Destination Delivery Address in the file	90%	93%	96%
Shipping Services File v 1.6 or higher	90%	95%	98%
Barcode scan success rate	97%	98%	98%

First-Class Mail
3:15 p.m. – 4:45 p.m.

Overview of the US Postal Service Secure Destruction Service Initiative

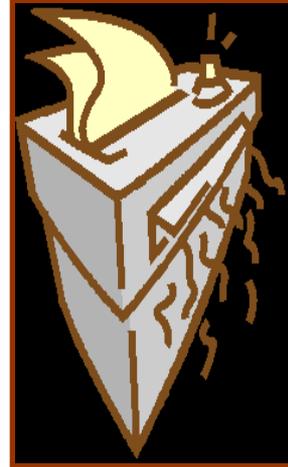
*United States Postal Service
Office of Sustainability*



Sustainability
PUTTING OUR STAMP ON A
GREENER TOMORROW

What is Secure Destruction?

- ❑ **Secure Destruction describes a potential new mail program under consideration by the Postal Service that will allow mailers to opt to have mail, that would otherwise be returned-to-sender, disposed of in a secure manner.**
- ❑ **This means that an undeliverable-as-addressed (UAA) First Class mail piece will be shredded by USPS Employees at USPS facilities, to ensure the mail piece will be rendered unreadable prior to disposal.**



3. The Economics of Secure Destruction Service



Benefits:

- Savings to mailers by reducing costs of receiving, handling, and destroying RTS mail with Privacy Protected Information (PPI)
- Savings to USPS from reducing amount of return to sender (RTS) mail that needs to be processed, transported and delivered back to mailers

Result = Net Economic Benefit to Mailers & USPS

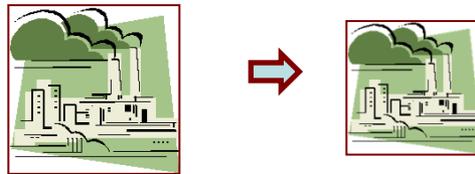
Costs:

- Cost to USPS to identify, sort, verify and destroy new SD mail at 62 PARS sites
- Cost to purchase and maintain SD shredding equipment at 62 Sites
- Minimal to “no cost” to mailers requesting this value-added SD Service



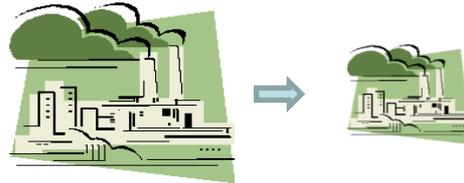
What Are the Environmental Benefits of Secure Destruction?

- ❑ **Reduction of Carbon emissions from reduced handling, processing and transportation of mail**



- ❑ **Estimated Carbon emissions reductions of ~1 ton of carbon dioxide equivalent for every 25,000 pieces of carrier delivered Return To Sender (RTS) mail intercepted & destroyed by USPS (see next slide)**
- ❑ **Increased recycling of waste mail (i.e. secure shred size designed to maintain value of paper as a recyclable commodity)**

What Are the Environmental Benefits of SD ?



**Table 1. Potential GHG Emission Reductions from Secure Destruction
(by No. of Securely Destroyed Pieces)**

No. of Pcs. Securely Destroyed	GHG Reduction (MT CO ₂ -eq)	
	Mailer Pickup	Carrier-Delivered
1,000	0.03	0.04
5,000	0.1	0.2
10,000	0.3	0.4
25,000	0.6	1.0
50,000	1.3	1.9
100,000	2.5	3.8
1,000,000	25	38
5,000,000	125	190

Note: MT CO₂-eg = Metric Tons of Carbon Dioxide equivalent

What Types of Privacy Protected Info (PPI)

Qualify for SD Service?

- ❑ Health records protected under the [Health Insurance Portability & Accountability Act](#) of 1996
- ❑ Financial records protected under [Financial Services Modernization Act](#) of 1999.
- ❑ Consumer records protected by State Security Breach Notification Laws.
- ❑ Federal government records protected under the [Privacy Act of 1974](#).
- ❑ Credit card records governed by [Payment Card Industry Data Security Standard](#).
- ❑ Personal records that would create liabilities for companies or customers if such information were not properly and securely destroyed.

What SD Standards will be Applied to the New Service?

International Security Sanitization Level Destruction Standards

- ❑ **Security Level 3 – for confidential documents that should be made illegible)**
 - **Particle Area \leq 320 sq mm or 1/4” x 2.2”**
(USPS Standard for SD)

***Note:** This standard falls between Security Level 2 that is for internal documents that should be made illegible (i.e., Strip area \leq 800 sq mm or 1/2” x 2.6”) and Security Level 4 for documents that contain secrets that Should be made illegible (i.e., Particle Area \leq 30 sq mm or 2/5” x 1/10”)

“Mail sent back for destruction would be considered live mail and part of the mail stream. Therefore, the mailers would be at no greater risk for liability than they are when they drop outgoing mail off for delivery. The Postal Service is a trusted institution that is enshrined in the U.S. Constitution. See U.S. Const. Art. 1, s. 8, cl. 7; 39 U.S.C. s. 101 (The Postal Service is “a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people.”). Therefore, it is difficult to imagine a scenario under which a company would be found liable for entrusting the Postal Service to deliver mail to its final destination, whether that be a mailbox or a shredder located on-site at a USPS facility. Further, the Federal Tort Claims Act (FTCA) includes a specific “postal matter” exception which excludes liability for any “claim arising out of the loss, miscarriage, or negligent transmission of letters or postal matter.” 28 U.S.C. 2680(b). This exception covers USPS employee misappropriation of this information. See *C.D. of NYC, Inc. v. U.S. Postal Service*, 157 Fed. Appx. 428 (2d. Cir. 2005) (USPS not liable for mail stolen by USPS employees).”

*Carrie M. Branson
Chief Counsel, Torts
USPS Law Department*

After looking into this further, FISMA does not apply to the Postal Service. We comply with it voluntarily as a general rule. However, we are not included in the definition of “agency” in the law.

***The details:* FISMA defines “agency” by cross-reference to the definition of “agency” in the Paperwork Reduction Act (44 USC 3502). See 44 USC 3452(a) . Courts have consistently found that the Postal Service is not an “agency” under the Paperwork Reduction Act definition. See Kuzma v. USPS, 798 F.2d 29 (2nd Cir. 1986); Shane v. Buck, 658 F.Supp. 908 (D. Utah 1985), aff’d 817 F.2d 87 (10th Cir. 1987). The law clearly falls within the scope of 39 USC 410(a), which exempts the Postal Service from laws generally regulating the operation of Federal agencies.**

What Standards will be Applied to the New Service?

- ❑ Each PARS site requires one industrial secure cross cut shredder to handle maximum forecast volumes
- ❑ 1st Contingency = USPS has purchased an additional backup industrial cross cut shredder for each PARS site
- ❑ 2nd Contingency = Service contracts will be in place to repair equipment within 48-72 hours
- ❑ Mail security will be maintained at all times and a Secure Destruction electronic notification will be provided to participating mailers
- ❑ Recycling “certificates of destruction” complement secure destruction cross cut standards



What Intelligent Mail Barcode (IMB) Services Support Secure Destruction?

- Mailers must have either full service or basic IMB 1st Class “machineable” mailings containing privacy protected information.
- Mailers must use at least one of the eligible Service Type Identification Numbers (STIDs);
 - 16 Service Type Identification (STID) numbers have been created for Secure Destruction
 - Numbers will be available for use after the Postal Automated Redirection System (PARS) software is updated in the spring of 2013
- Initial use of SD STIDs will be limited to mailers participating in the Pilot Project planned for the summer of 2013
- Future use of SD STIDs will be based on the outcome of the Pilot Study

What SD Notification Will be Provided to Mailers?

- Address Correction Service (ACS) Reports for Mail with SD STIDs will be provided to mailers for mail pieces processed on the Postal Address Redirection System (PARS)
- USPS will track trays to ensure that all trayed SD Mail has been destroyed and create a record for mailers to access for confirmation.*
- Mail that is not eligible or that could not be processed on PARS/CIOSS will be handled per the Ancillary Endorsement

*Note: SD Processed Mail will be redirected to a Unique Stacker Bin on the USPS CIOSS Equipment and placed in trays for Verification and Destruction

What Happens Before USPS Offers this Service?

- Development of Tray Tracking Procedure to confirm secure destruction.
- Release of PARS Software Upgrades
 - Anticipated releases between April and June 2013
- Successful Completion of Pilot Assessment at 7 PARS sites
 - Anticipated pilots to occur in the Summer of 2013
- USPS Senior Management Decision to Deploy Service

11. Time Table for Full Deployment

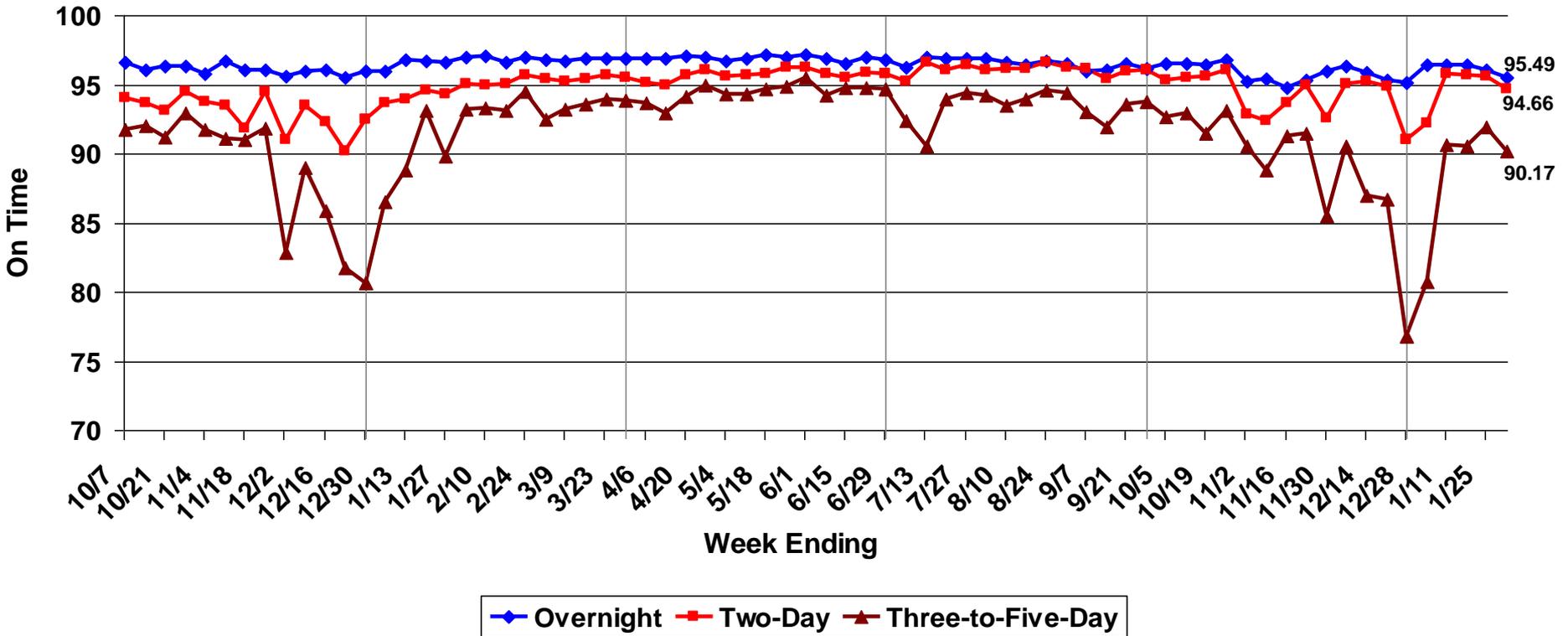
Actions	When?	Where?
SD Pilot Assessment	7/1/13 – 9/30/13	7 Pilot Sites
Pilot Assessment Goes Well with Decision for Full Deployment	10/30/2013	USPS HQs
Nationwide Deployment Begins	11/1/2013	62 PARS Sites
Nationwide Deployment Complete	9/30/2014	62 PARS Sites
Mailers can use any of the approved Service Type IDs for Secure Destruction	10/1/2014 or soon thereafter	Anywhere in US



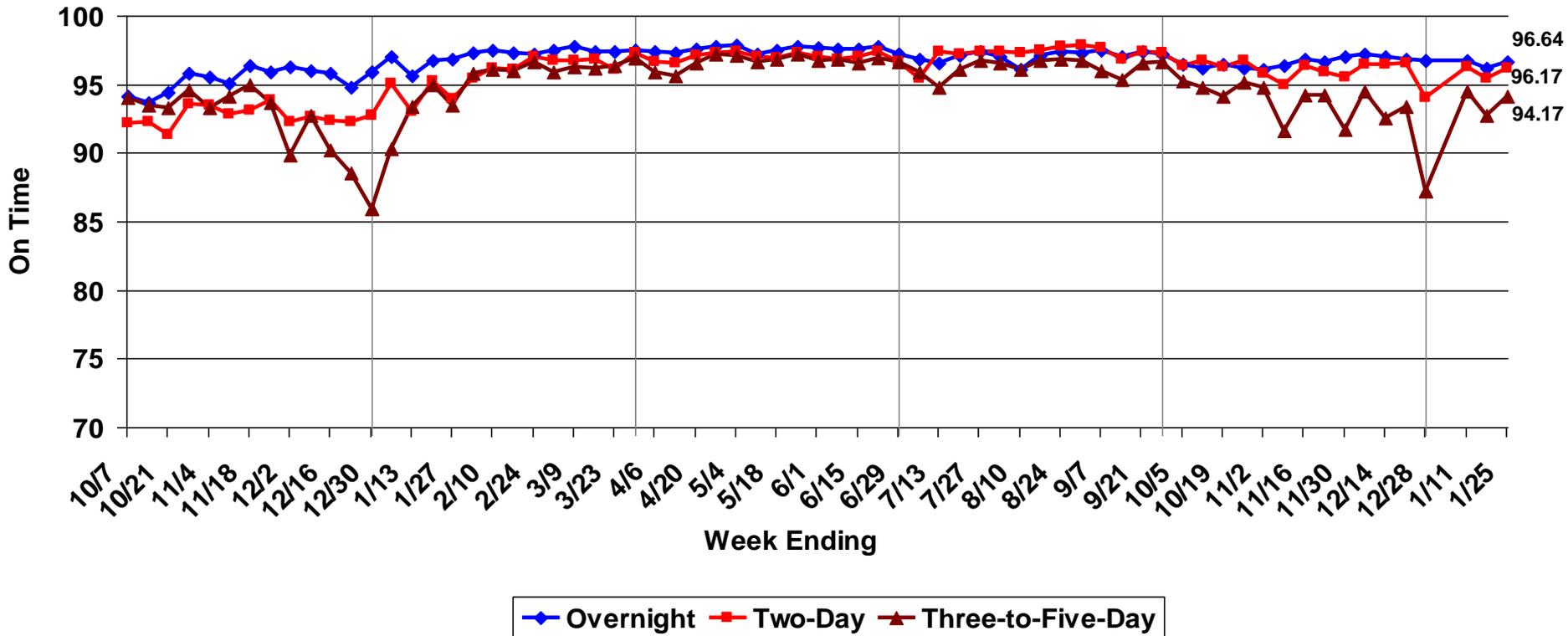
USPS Secure Destruction Services Reduce Greenhouse Gas Emissions

Participate and Reduce Your Carbon Footprint!

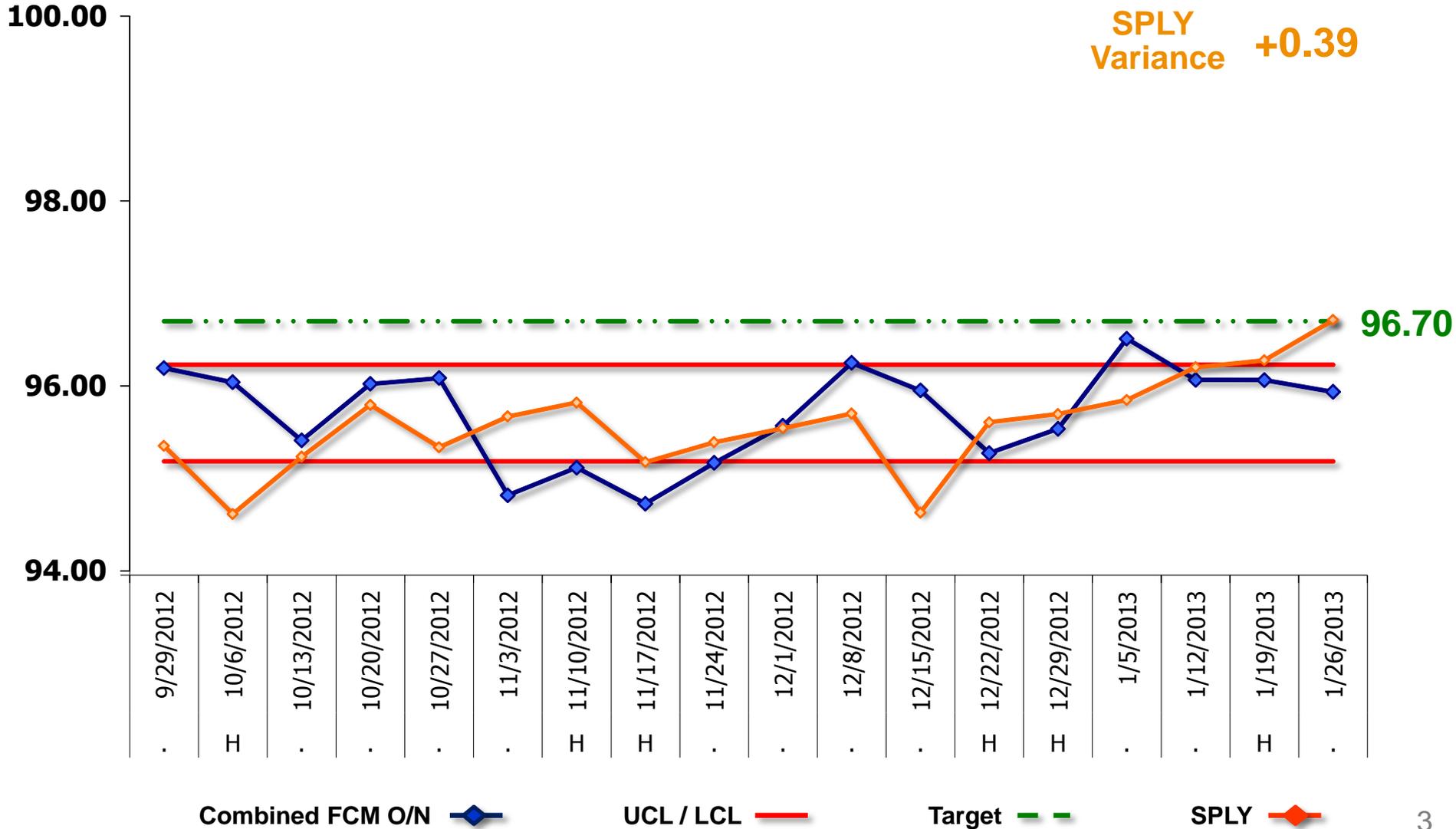
**EXFC FY12 to FY13 Performance
By Week through Feb 1, 2013**



**Commercial First-Class Mail FY12 to FY13 Performance
By Week through Jan 25, 2013**

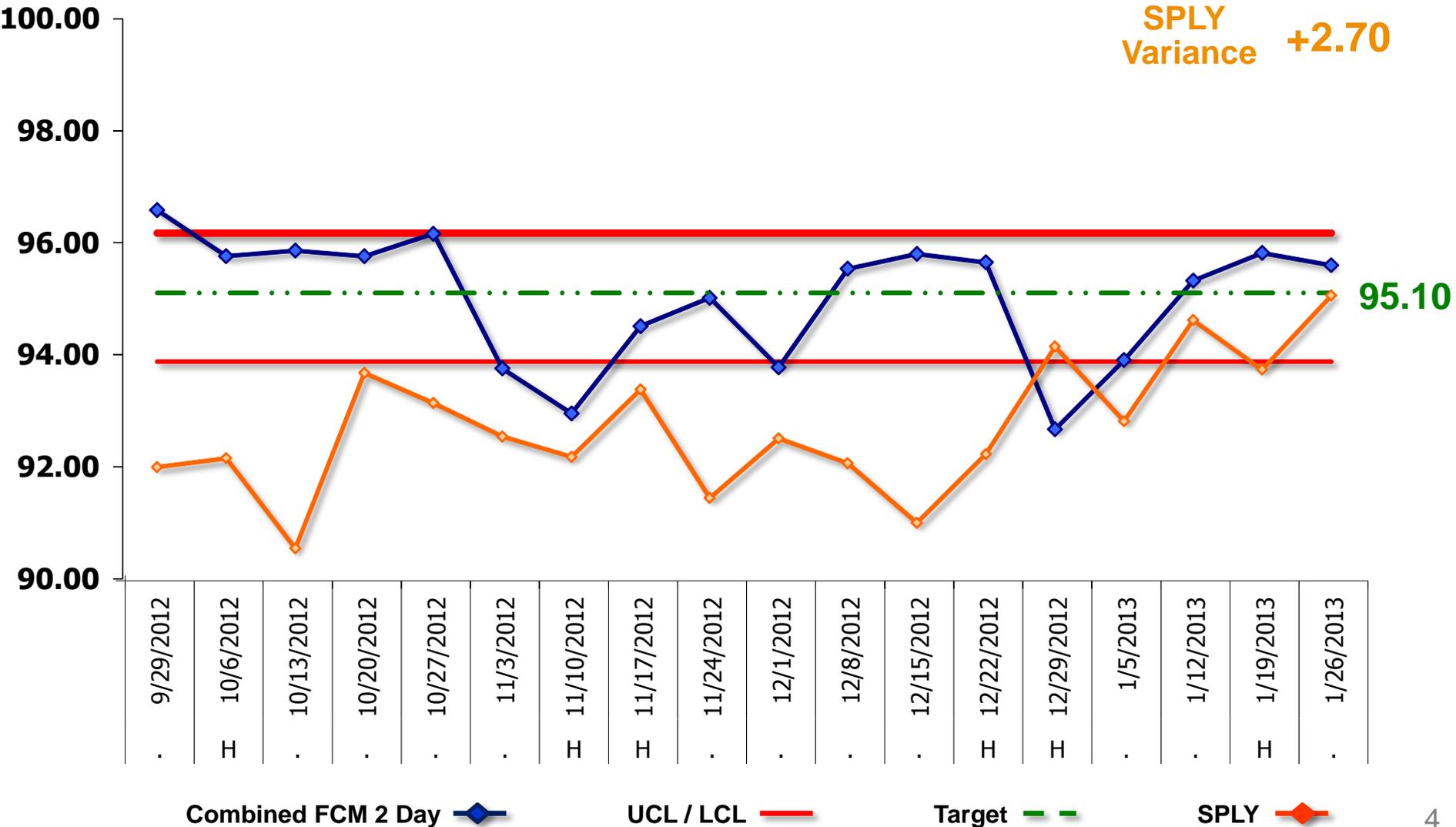


YTD 96.24
SPLY
Variance +0.39



YTD 95.71

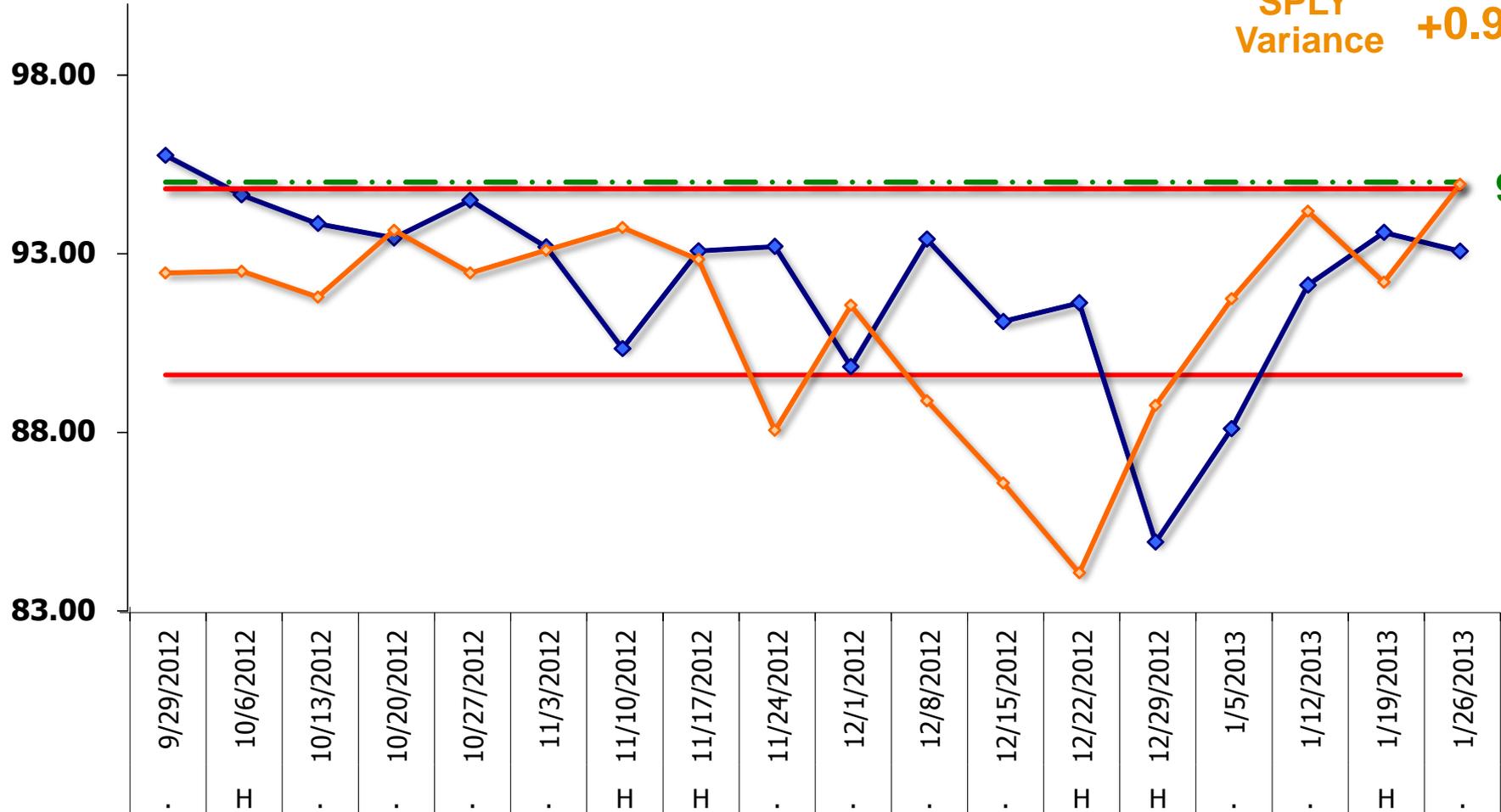
**SPLY
Variance +2.70**



YTD 93.58

**SPLY
Variance +0.91**

95.00



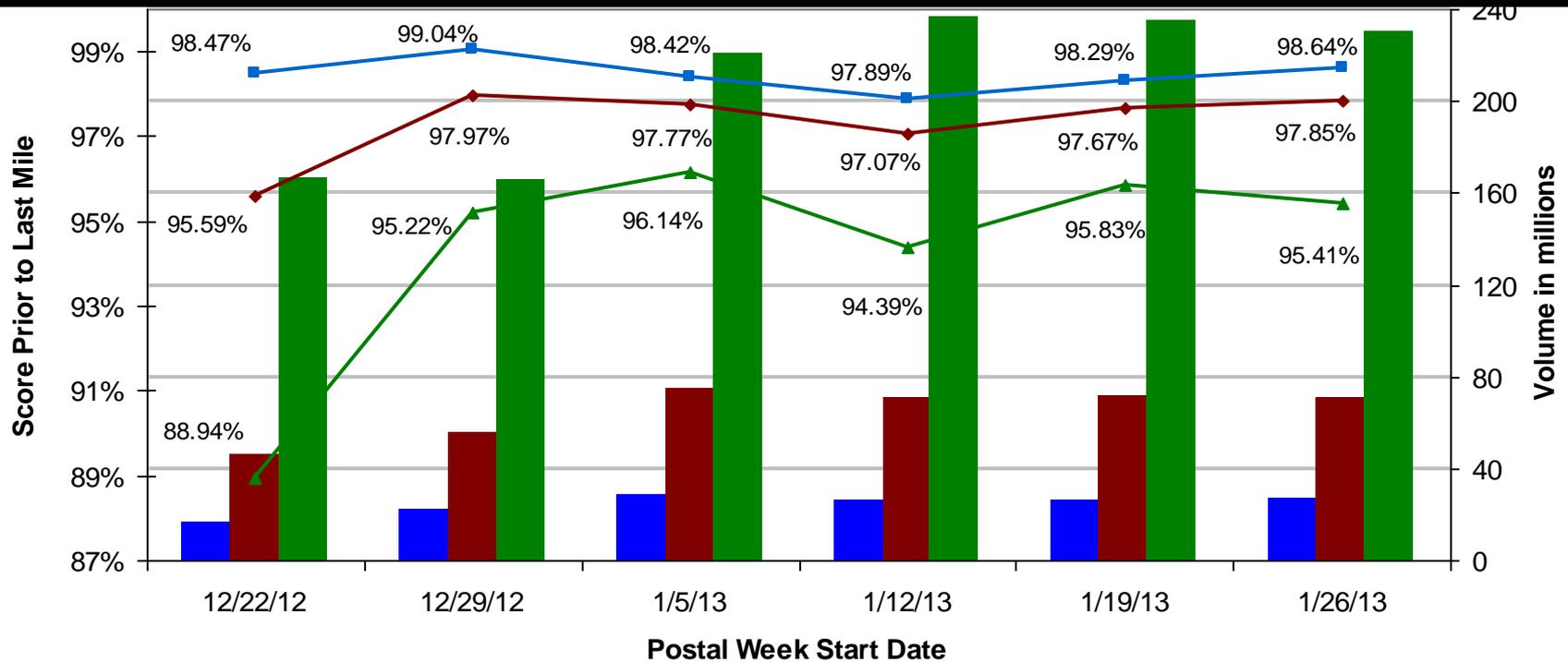
Combined FCM 3-5 Day

UCL / LCL

Target

SPLY

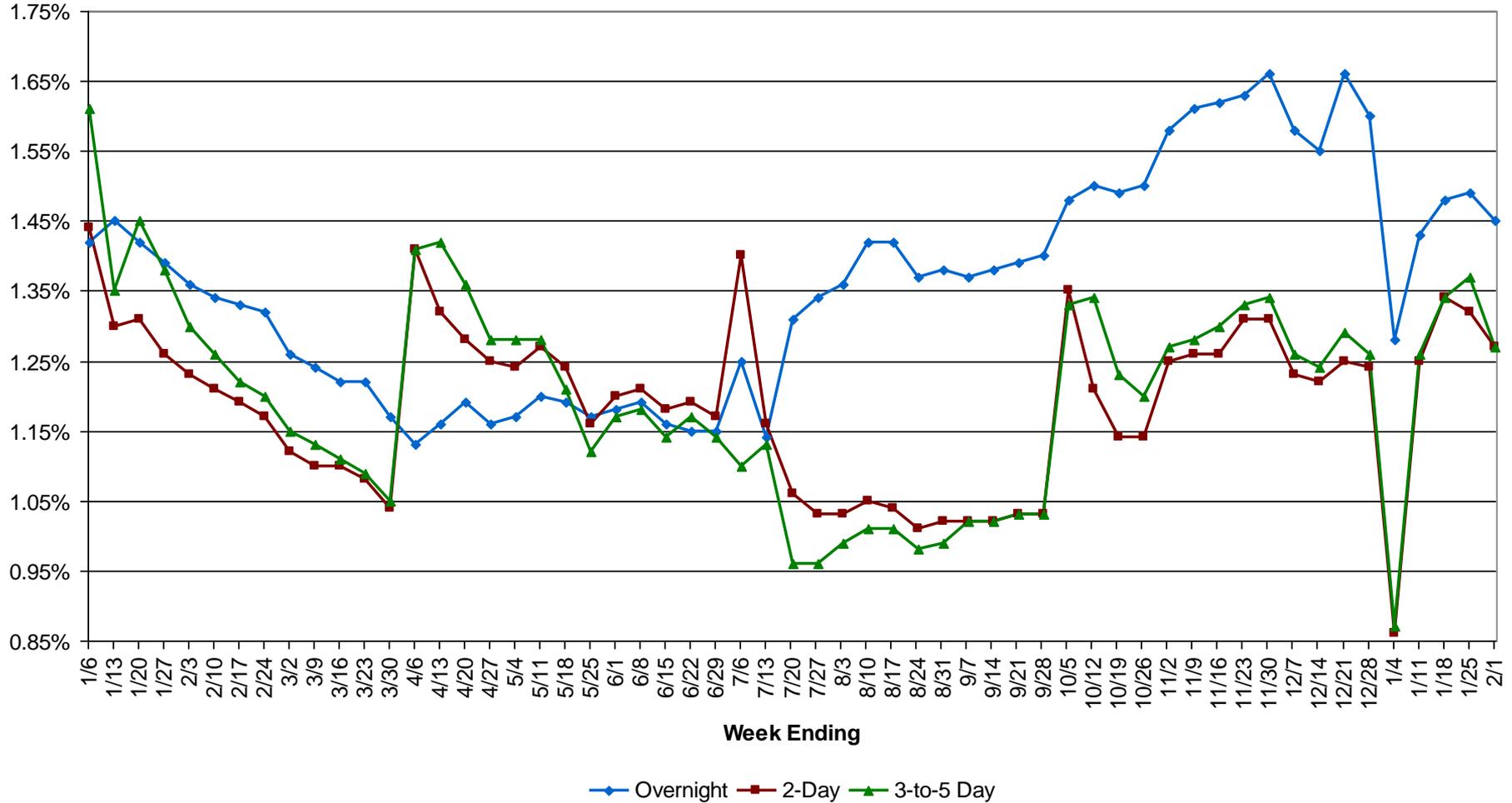
Overnight increased by 0.35%; 2-Day increased by 0.18%; 3-5 Day decreased by 0.42%

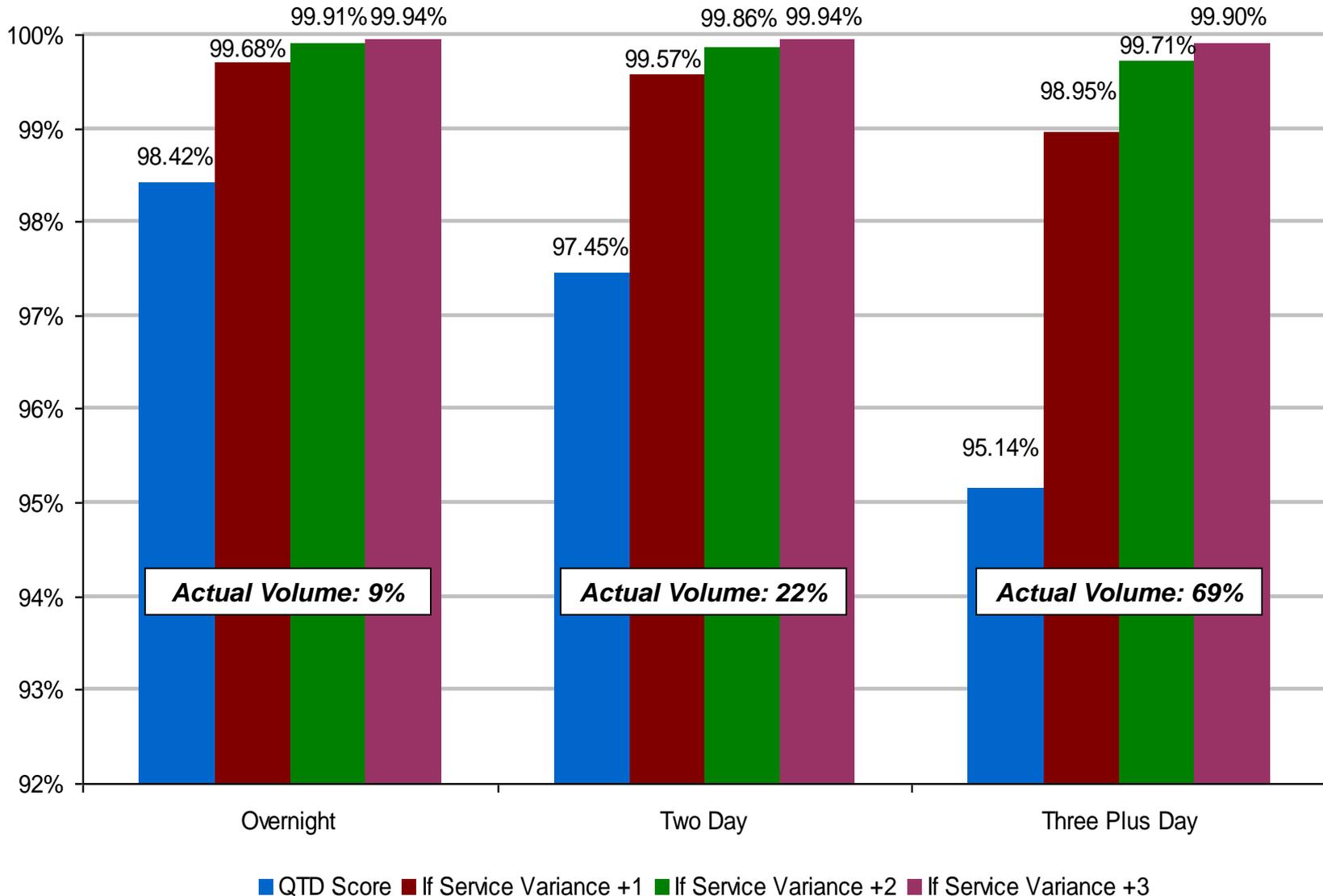


■ Overnight - Volume
 ■ 2-Day - Volume
 ■ 3-to-5 day - Volume
 —■— Overnight - %
 —◆— 2-Day - %
 —▲— 3-to-5 Day - %

Q2 TD	Total Pieces Measured	Part 1 % On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Overall QTD Score
Overnight	122,912,781	98.47%	-1.45%	97.02%	96.70%	96.53%
2-Day	315,994,766	97.54%	-1.27%	96.27%	95.10%	94.41%
3-to-5 Day	989,396,587	95.20%	-1.27%	93.93%	95.00%	93.77%

Last Mile Impact decreased across all service standards





Note: Volumes may not sum to 100% due to rounding.

QUESTIONS