



UNITED STATES
POSTAL SERVICE

MTAC

Mail Prep & Entry Focus Group

November 19, 2014



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Mail Prep & Entry Focus Group

First-Class Track

November 19, 2014

- **First-Class Track**
 - Action Items from Last Meeting
 - Flats 5D & 3D Schemes for FCM
 - Presort Reference Data Discussion
 - Open Discussion

- Action Items from Last Meeting
 - Report out on progress around FCM palletization
 - Site visit to explore label holder issue for trays
 - Will there be secure destruction for Flats under new FPARS rollout?
 - Presort option for 3D and 5D scheme for FCM Flats
 - Will changes in operating window allow for more continuous mailers or will we have to cut off a manifest and break it for entry to meet certain CETs?
 - Process to enroll sites into MTEOR for non-MTESC sites

Flats 5D & 3D Schemes for FCM

■ 5-Digit Scheme for FC Flats

- FC Flats represents 5.45% of total Flats in FY 2013
- Revenue loss outweighs the cost reduction in mail processing

FY 2013 First Class Mail Volume - FLATS (thousands)

Total ALL Flats	34,807,710	
Total FC Flats	1,898,586	5.45%
Single Piece	1,273,026	67.05%
NonAuto Presort	31,824	1.68%
MXD ADC Auto Presort	60,336	3.18%
ADC Auto Presort	101,192	5.33%
3-Digit Auto Presort	282,215	14.86%
5-Digit Auto Presort	149,993	7.90%

- Revenue and cost analysis for **one ounce** Flats in FY 2013

FY 2013	Automation	Revenue per Piece (1 oz.)	Cost per Piece*	Total Revenue	Total Cost
ADC	101,192,000	0.64	0.50411	\$64,762,880.00	\$51,011,967.58
3-Digit	282,215,000	0.594	0.46774	\$167,635,710.00	\$132,003,959.28
5-Digit	149,993,000	0.406	0.32651	\$60,897,158.00	\$48,974,871.93
Total				\$293,295,748.00	\$231,990,798.79

*Information from PRC webpage for Mail Processing unit cost: FY2013 FCM_Prsrt_Flats_PRC

Assumption	Automation	Revenue per Piece (1 oz.)	Cost per Piece*	Total Revenue	Total Cost
ADC**	96,132,400	0.64	0.50411	\$61,524,736.00	\$48,461,369.20
3-Digit***	253,993,500	0.594	0.46774	\$150,872,139.00	\$118,803,563.35
5-Digit Sch	183,274,100	0.406	0.32651	\$74,409,284.60	\$59,841,629.78
Total				\$286,806,159.60	\$227,106,562.33

**Shift 5% of ADC from ADC to 5-Digit

***Shift 10% of 3-Digit from 3-Digit to 5-Digit

Change	-\$6,489,588.40	-\$4,884,236.46
Net Savings per FY	-\$1,605,351.94	

- Revenue and cost analysis for **four ounces** Flats in FY 2013

FY 2013	Automation	Revenue per Piece (est. 4 oz.)**	Cost per Piece*	Total Revenue	Total Cost
ADC	101,192,000	1.24	0.50411	\$125,478,080.00	\$51,011,967.58
3-Digit	282,215,000	1.194	0.46774	\$336,964,710.00	\$132,003,959.28
5-Digit	149,993,000	1.006	0.32651	\$150,892,958.00	\$48,974,871.93
Total				\$613,335,748.00	\$231,990,798.79

*Information from PRC webpage for Mail Processing unit cost: FY2013 FCM_Prsrc_Flats_PRC

**add .20 cents for each additional ounce

Assumption	Automation	Revenue per Piece (est. 4 oz.)**	Cost per Piece*	Total Revenue	Total Cost
ADC***	96,132,400	1.24	0.50411	\$119,204,176.00	\$48,461,369.20
3-Digit****	253,993,500	1.194	0.46774	\$303,268,239.00	\$118,803,563.35
5-Digit Sch	183,274,100	1.006	0.32651	\$184,373,744.60	\$59,841,629.78
Total				\$606,846,159.60	\$227,106,562.33

***Shift 5% of ADC from ADC to 5-Digit Sch

****Shift 10% of 3-Digit from 3-Digit to 5-Digit Sch

Change	-\$6,489,588.40	-\$4,884,236.46
Net Savings per FY	-\$1,605,351.94	

- 3-Digit Scheme was reviewed with a net loss

Presort Reference Data Discussion

User Group 9

- *Improved Quality of Data*
 - User group activities around accuracy
 - Identified, discussed, and documented errors that have caused re-publication of data files
 - Created Presort Reference Data Issue Log (PRDIL)
 - Implemented PRDIL for tracking/resolving issues
 - Implemented better data validation procedures
 - Created systematic way of identifying changes to labeling lists
 - Automated process compares new lists to previous lists
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 - Highlights changes that are syntactically incorrect

- *Improved Timeliness of Data*
 - Revamped Labeling List release schedule
 - Shortens timeframe between field requests/HQ entries and effective date of changes
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- *Accuracy*
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Open Discussion



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Periodicals Track

November 19, 2014

- **Periodicals Track**
 - Action Items from Last Meeting
 - Missing Scans Indicating Manual Processing
 - 250 pound FSS Scheme Pallets Update
 - Bundle Breakage Reduction Project
 - Presort Reference Data Discussion
 - Unload Times
 - Open discussion

- Action Items from Last Meeting
 - Scan data on bundles worked manually
 - Look into feasibility for bundle based CET (instead of container) and potential solution w/processing operations and service measurements
 - Mxd ADC end to end – any service impact with new service standards
 - Share FAST apt no-show /late data with USER group 3
 - Broken Bundle analysis and joint effort with BSN to share with impacted customers.

Missing Scans Indicating Manual Processing

Expected Bundle Scans

- ❑ **Based on eDoc container make-up, ~92% of bundles are expected to be bundle sorted**

- ❑ **~68% of those bundles receive a bundle scan**
 - Standard mail: 73%
 - Periodicals: 63%

Based on analysis of Full-Service flats mailings with mailing dates of 10/4 to 10/18

FSS 250 Pound Scheme Pallet Update

Short Term Solution:

- Mailings over 1M pounds present greatest challenges for preparing FSS Scheme pallets
- Industry may request exception from 250 pound pallet requirement for these mailings
 - Received 25 exception requests
 - 2 requests denied <1M pounds
 - 23 requests approved
 - Majority approved at 300 or 350 pounds
 - Reduction of -4,200 scheme pallets (-31%)

Longer-term solution: “Sort to Prep” SAMP Sorter

- SAMP modification
 - Permit 3-5 FSS schemes to be combined onto one SAMP pallet
 - If viable, could eliminate 250 pound requirement
 - Timeline
 - Concept testing fall 2014
 - Will require programming changes to accommodate this scheme mix, earliest implementation would be January 2016
 - Proposing MTAC Workgroup on FSS multi-scheme pallets

Bundle Breakage Reduction - Observations at the Springfield NDC

Trailer load issues:



Lack of required straps or bands on stacked pallets:



DMM 705.8.3d:

The stack of pallets is **secured with at least two straps or bands** of appropriate material to maintain the integrity of the stacked pallets during transport and handling. Wire or metal bands, straps, buckles, seals, and similar metal fastening devices cannot be used. **The stack of pallets cannot be secured together with stretchable or shrinkable plastic.**

Over-height pallets:

- Stacked pallets without straps and exceeds the maximum height requirement of 84 inches
- Actual height measured at 95 inches



Loose bundles in cardboard boxes



FSS prepared in cardboard boxes that are not automation compatible due to open flaps





Broken Bundles on APPS



Presort Reference Data Discussion

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Unload Times

Late Shipment

- Arrives more than 30 minutes and up to 24 hours after scheduled appointment time.
- Inability to accept a load prior to a facility closing time may result in a rejected appointment.

Early Shipment

- Arrive in advance of a scheduled appointment time with mailings prepared for DNDC, DADC, or DSCF prices.

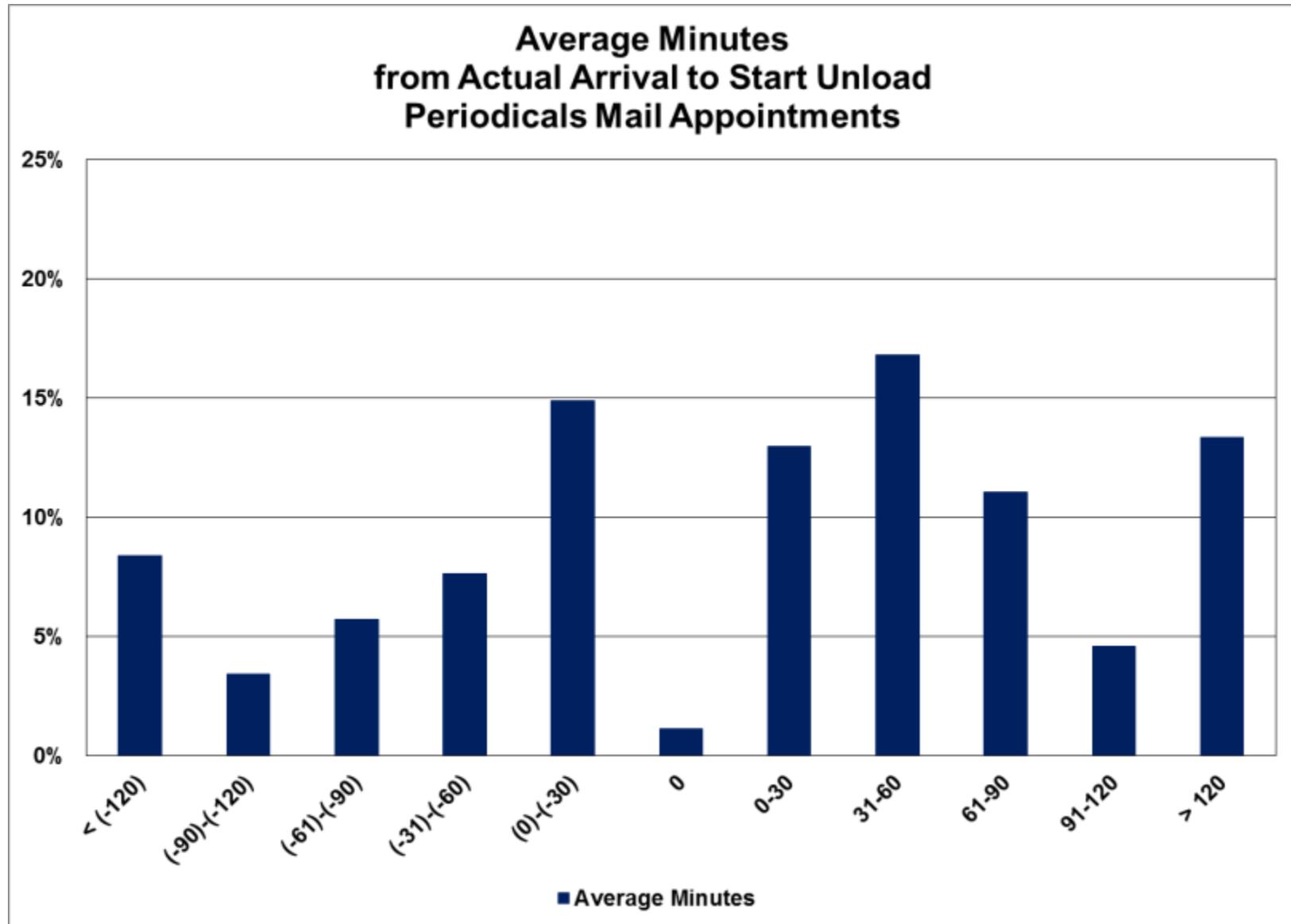
Mailer Responsibility

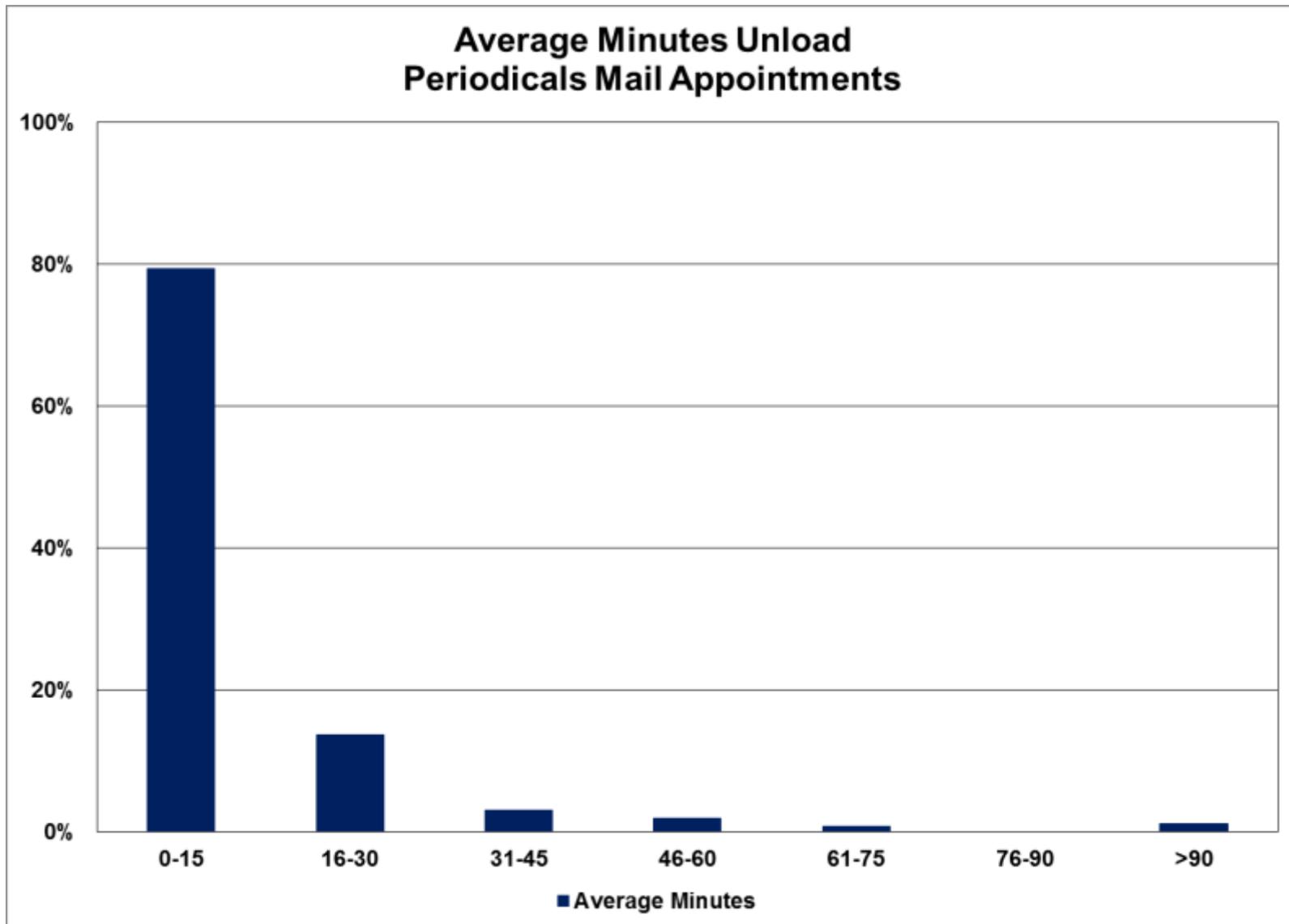
- Obey all applicable Postal Service and OSHA regulations while on Postal Service premises.
- Will not unload or allow mailer to unload a vehicle that Postal Service management determines to be defective or a threat to the safety and well-being of any person.
- Pallets must meet the standards found in DMM 705.8.0. Mail on pallets must meet the standards for the class and price claimed.

Unload Times for Periodicals

Drop Shipment Timeframes for Periodicals

Appointment Type	Unload Time for DSCF or DADC Mailings	Unload Time for DNDC Mailings	Person Performing Unloading
Speedline / Pallet	1 hour	1.5 hours	Postal Service Personnel
Bedload	8 hours	8 hours	Driver (with Postal Service assistance)





Open Discussion



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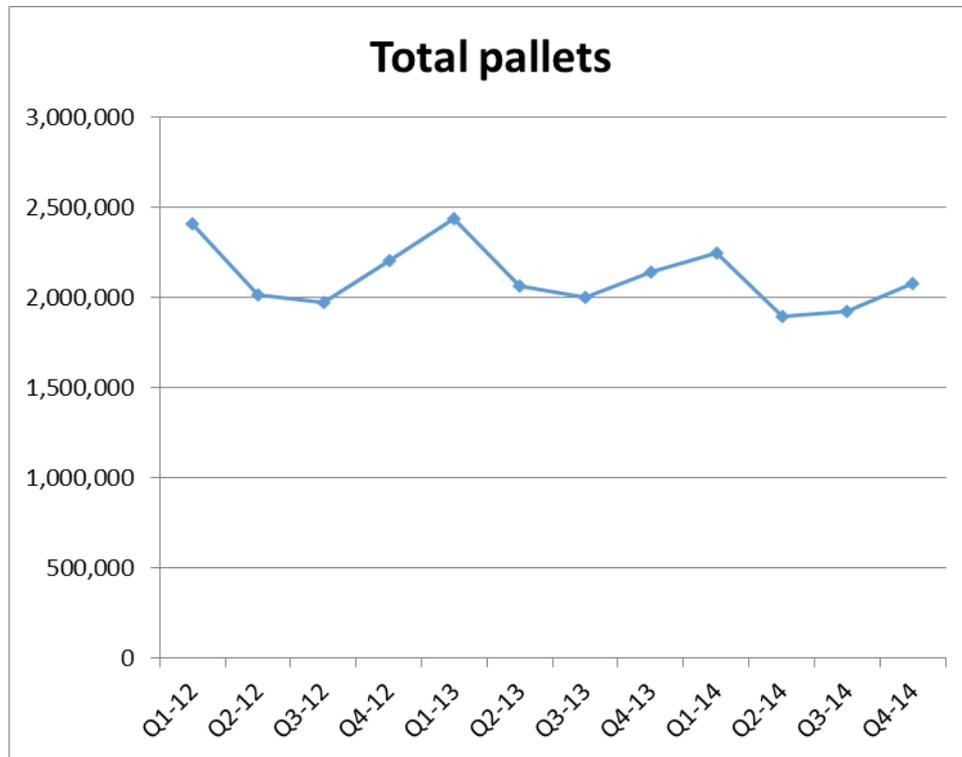
Mail Prep & Entry Focus Group

Standard Track

November 19, 2014

- Standard Track
 - Action Items from Last Meeting
 - 250 pound FSS Scheme Pallets Update
 - Bundle Breakage Reduction Project
 - Phase 2 Network Rationalization: Impact on Standard Letters
 - Presort Reference Data Discussion
 - Unload Times
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- Action Items from Last Meeting
- Increase in pallets entered by mailer?
- Dig further into eDoc vs top piece of bundle mis-match for bundle breakage; two pieces with scans vs only a single piece scan; is the bundle prepped in reverse from eDoc so the bottom piece is actually on top: thickness of bundle; preparation type.
- If an appt is cancelled, does it repopulate for someone else to make it available? Does the volume expected change?
- Look to analyze time trucks have to wait to unload
- Review statistics for FAST Helpdesk
- Update on status of Label List conflicts for presort and entry



Total Pallets Entered for Periodical & Standard Mail Flats

- Down -5.9% FY14 to SPLY

Total Pallets	Q1	Q2	Q3	Q4
FY13	2,440,413	2,067,549	2,002,795	2,140,560
FY14	2,244,237	1,892,992	1,925,090	2,076,961
	-8.0%	-8.4%	-3.9%	-3.0%

(This slide added to the presentation after the meeting at industry request)

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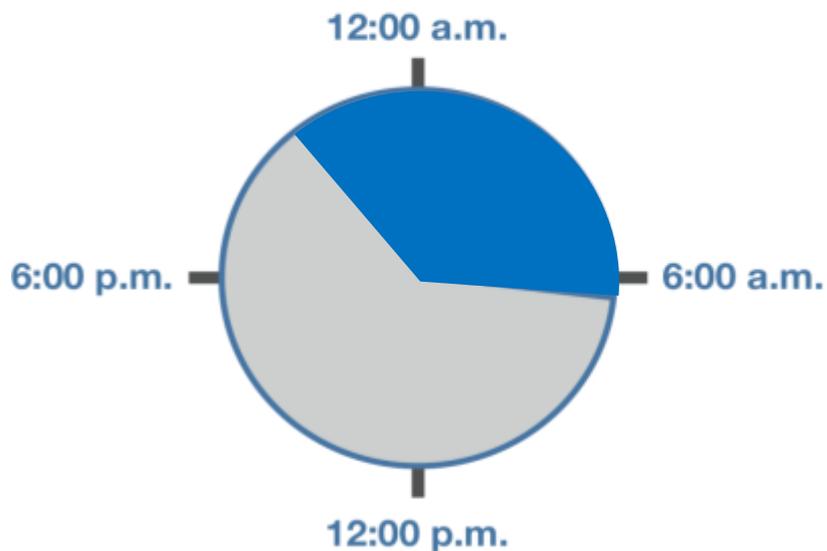
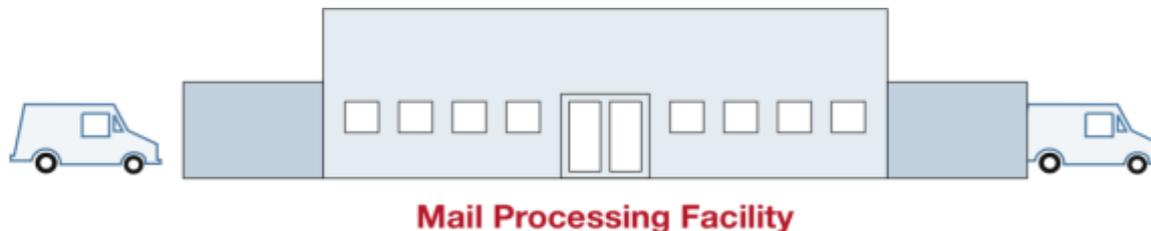


Broken Bundles on APPS

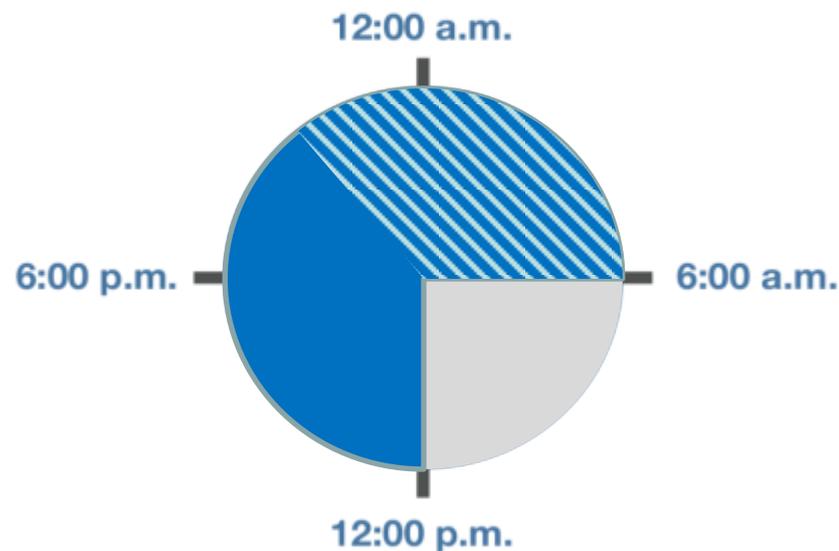


Phase 2 Network Rationalization Impact on Standard Letters

Phase 2 Network Rationalization: Impact on STD Letters



Current Operation



Proposed Operation

**~45% of STD letters will still
be delivered overnight**

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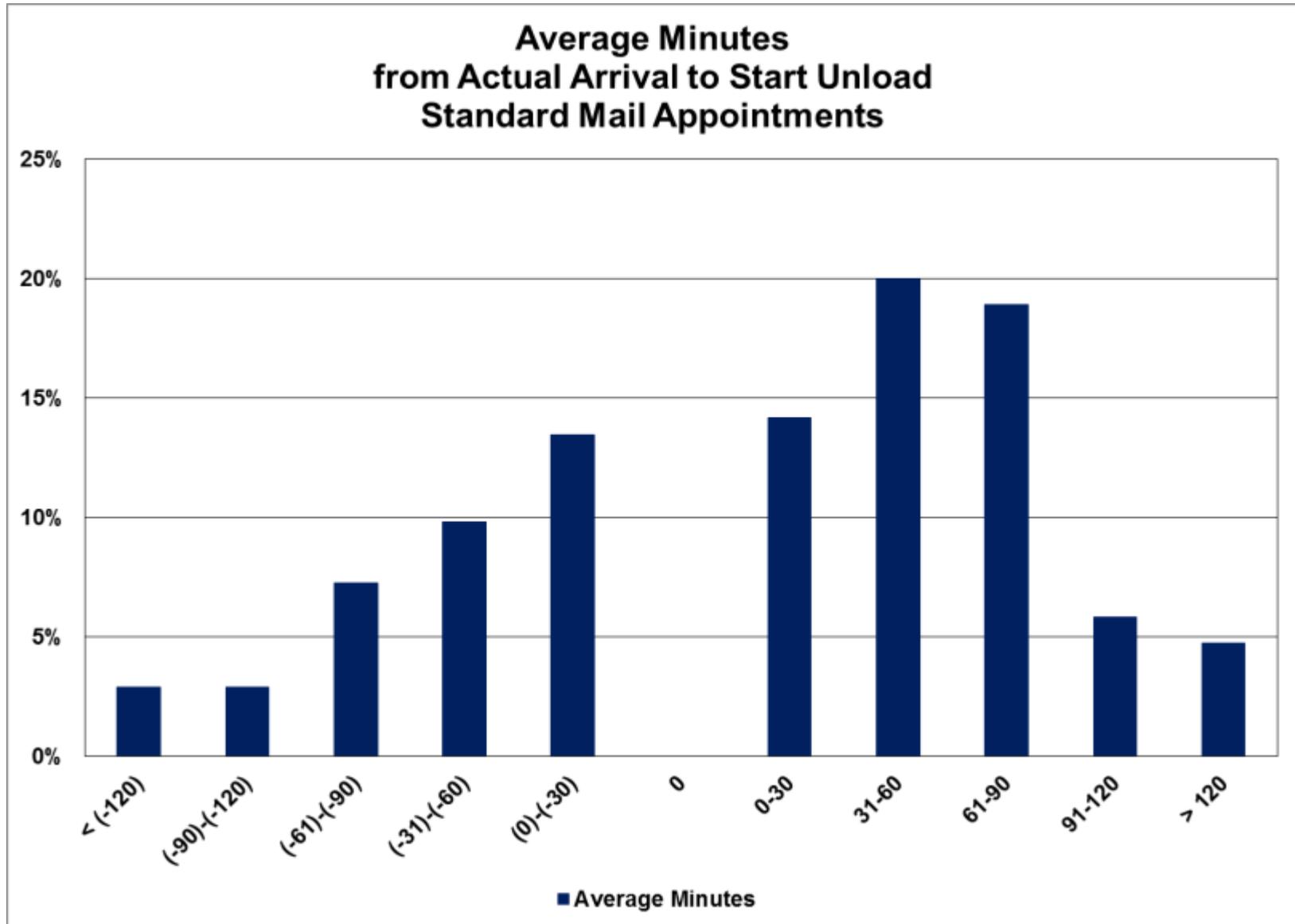
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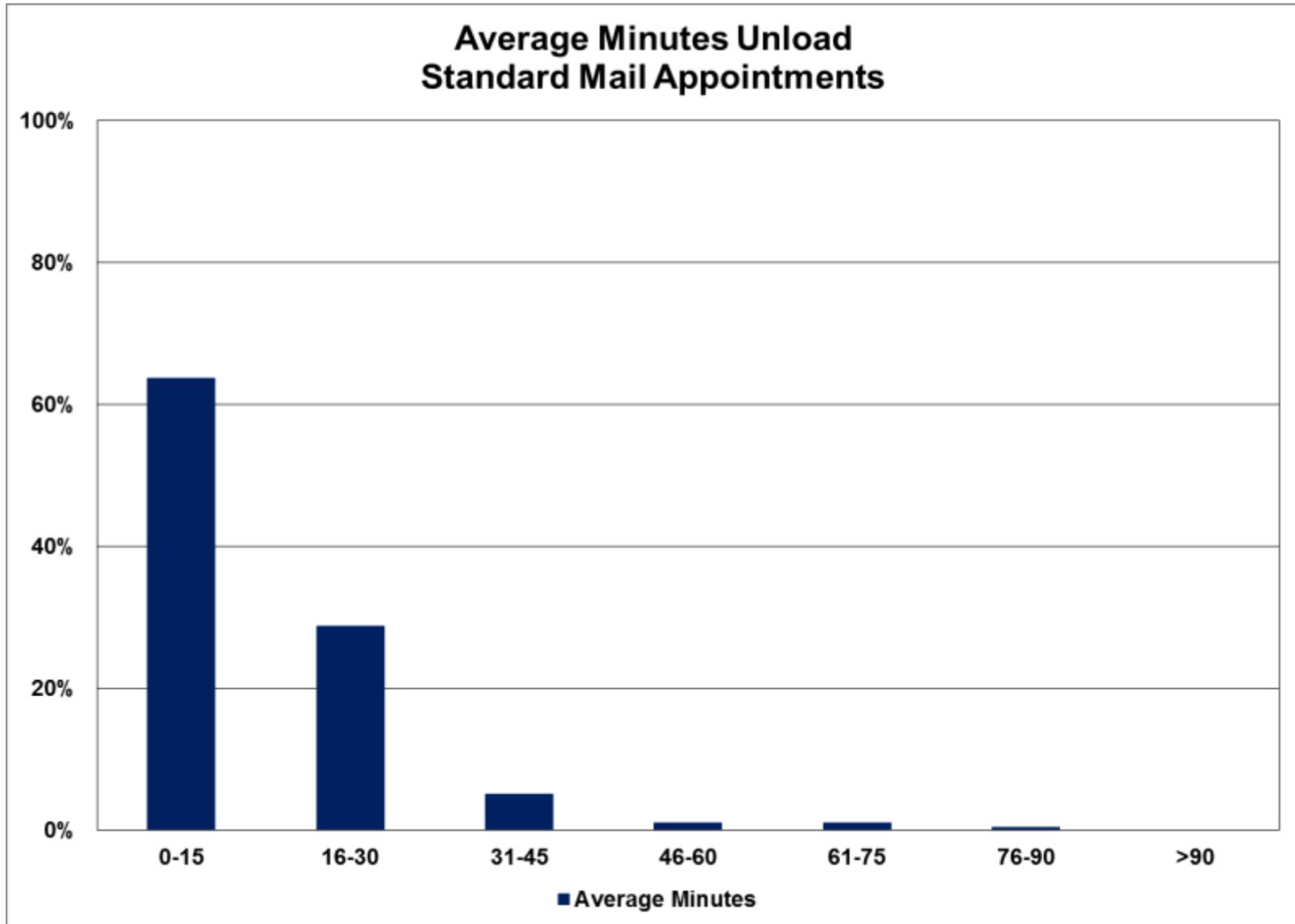
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Unload Times for Standard Mail and Package Services

Drop Shipment Timeframes for Standard Mail and Package Services

Appointment Type	Unload Time for DSCF or DADC Mailings	Unload Time for DNDC Mailings	Person Performing Unloading
Speedline	1 hour	1.5 hours	Postal Service Personnel
Palletized	2 hours	3 hours	Postal Service Personnel
Bedload	8 hours	8 hours	Driver (with Postal Service assistance)
Drop-and-Pick	N/A	8 or 12 hours (based on CET)	Postal Service Personnel





Open Discussion



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Packages Track

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- Packages Track
 - Action Items from Last Meeting
 - Presort Reference Data Discussion
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- **Action Items from Last Meeting**
- DSCF Parcel Select drop shipment for 3-digit prep – Linda to review further; need reason to not move it to NDC or to another carrier.
- Fast: No show – by product type, No 8125, eVS
- Continually missed recurring appt – do we follow-up?
- How close to the appt time - can it be cancelled without generating a no-show?
- D&R Tags: Left on sacks causing missorts.
- Can we send the presentation out to the registered webinar participant in advance of webinar, either in an email or download through a link?

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