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## MTAC Focus Group Session Notes

### Wednesday, August 20, 2014

#### MAIL PREPARATION AND ENTRY (OPERATIONS)

Dave Williams, USPS VP-Network Operations  
Robert Schimek, MTAC Industry Leader, Entry & Preparation

#### Session 1: PERIODICALS

(John Stark, MTAC Industry Leader)

#### DISCUSSION TOPIC

- Action Items from last meeting (May 2014)
- Report out difference between pre/post implementation of APPs SEM
- Paul Mitchell coordinated visit for bundle break observation
- Share initial results from SAMP LSS Project – setting up team to look at smaller projects will discuss more in open discussion
- Look into non-machinable matter subject to label lists
- Look into the process/procedure for nesting of tubs – Looking at this from the aspect of smaller customers who are using tubs to separate small amounts of mail; reduces foot print in trucks; used by small newspapers to separate papers for different towns in a hub drop.
- Scan data bundles/pieces worked manually – we are working on this and are conducting training.

#### DISCUSSION TOPIC

- **PER Start the Clock in SCFs with FSS** – Discussion around proposal for business rule modification; DelTrak and Redtag have differing view; Customer's main concern is the CETs for mixed containers of FSS/non-FSS and defaulting to the FSS cut-off.
  - Concern the customers are being penalized by 8 hour earlier cut-off; lots of discussion; DelTrak and Redtag would like to discuss options because it could impact (3.5) millions of subscribers;
  - Dave Williams believes the issue boils down to if Product Visibility can incorporate customer's business rule by implementing bundle based logic versus container based logic; end goal is to address concerns about delays created by adding day to service standard based on forcing the CET logic based on mixed container status;
  - ACTION: Get with Steve Dearing and Linda Malone to evaluate feasibility and decide next step, impacts on processing operations and service measurement; can't count on the ability to advance mail;
  - Cathy Moon asked is it an option to notate on the placard there is no FSS mail in containers. Industry said is it possible but complicated, it would have to be in the extraneous information section; this issue really centers on how to handle mixed containers;

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- How did this issue come up?: Areas and Districts started asking question about scorings; USPS has made no operation changes to drive this;
- Question was asked about Federal Register 8/1 notice for service standards: does this language only apply to End to End process or does it include Destination Entry. Dave Williams answered it only applies to End to End/Origin Entry; Does not apply to Destination Entry;
- Tonda Rush asks what happens to the residue volume from Destination entry; this will require follow up
- **FSS 250 lb. pallet requirement** – USPS provided information related to the identified benefit related to higher service performance driven by 250 lb. pallets:
  - Std mail on-time performance is improved by 0.5% while periodicals were moved 7.69%;
  - 69% of FSS volume scheme pallets were less than 500 lbs. (Periodicals – 71% and Std – 67%);
  - Overall increase in pallets for Periodicals and Std flats has increased by 2.2% over SPLY in all zones;
  - Percentage of Std flats FSS scheme pallets entered at DFSS has increased to 71%; Periodicals has increased to 77%
  - Any proposal to increase 250 lbs. requirement to 500 lbs. would shift 1.3 M pieces back to APPs/SPBS monthly,
  - Check Short term slide (#11) –exception process/Ask Pritha (VP, Mail Entry & Business Technology) if exception will create a presort error in scorecard;
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- **Bundle Breakage** – The number 1 cause of APPs/APBS machine stoppage is due to single pieces loose in the machine:
  - USPS is evaluating if these individual pieces scans are due to bundle breakage or nesting errors; we need to be cognizant of both issues;
  - USPS needs to work with BSNs to contact and work with customers on improving bundle make up;
  - Service performance impacts from bundles with nested scan errors is -1.9% for Std Flts and -9.7% lower for periodicals;
  - Greatest expense is to manually gather, face, containerize, transport, and sort loose flats; this is attributed to the piece costs of flats (not bundle costs).
  - Peter Moore asked why the costs are assigned to the piece but not to the bundle or container costs; the answer was the additional expense to the USPS is for piece processing
  - Preliminary estimates of the costs are in excess of \$9 M monthly based only on May/June data. Fall mailing season expense is likely higher..
  - Next Steps: further analysis of the data is necessary to review factors which may impact the data or comprise the integrity of bundles. Peter Moore: asked for further consideration costing being based on bundle and not based on container prep. (tray vs bundle vs container); Next steps (slide # 19)

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- **Fast Appointments:** - No Shows and late arrivals are creating an issue.
  - USPS is seeing higher percentages of no-shows (32%) and 26.6% are late arrivals (more than 4 hours).
  - These issues increase costs, impact services;
  - Should MTAC refer to a user group or create a work group. MTAC already has the FAST user group.
  - Sunday has the highest percentage of no-show with Saturday in second;
  - Todd Black offered two questions for consideration as we continue to analyze: Are these shadow appointments or do they have mail content in the appointment? Are they multi stop routes? Several members indicated concerns about multi stop routes being impacted by Postal facilities not releasing trucks timely prior to a no-show or late truck.
- **SAMP improvement – project status:**
  - Team validated issues with productivity;
  - Team identified issue with Auto Bundle Separation Unit (ABSU) cycle time in terms of volume flow;
  - Team has developed ideas/ concepts for improvement of SAMP operations;
  - Pilot project: implemented operational improvements for ABSU ops; addressed maintenance opportunities; tested SAMP Operation with varying numbers of prep operators; identified ideal number of operators to maximize the productivity with current mail volume; developing tools for local management for just-in-time (JIT) prepping to the number of FSS operators for national roll out.
- **Updates on High speed feeder:**
  - Updating Philadelphia to continue evaluations;
  - Question about status of low cost bundle sorters: what are plans; deploying 11 bundle sorters to FSS sites that lack bundle sort capabilities; additionally deploying five small sorters for small packages (W Valley AZ, JFK/Queens/N Houston/S Florida/ San Francisco),
  - Future purchases will be based on evaluation of these machines;

## **ACTION ITEMS**

- Follow-up on Scanning (Scan data) manual bundle data
- 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.

**DISCUSSION TOPIC – Action Items**

- Follow-up on penalty for utilization of wrong labeling list
- Established MTAC UG 9 for Presort Data
- August 1<sup>st</sup> Labeling List published should be used on September 1<sup>st</sup> (was delayed by PostalOne! Release)

**DISCUSSION TOPIC –**

- **250 pound requirement for FSS scheme pallets**
  - Does costing capture the increase in pallets by mailing?
  - Industry can provide projection of pallet count breakdowns for SAMP testing in fall. – One proposal deemed unlikely by USPS due to concerns about having to run pallets several times;
  - Will scorecard be impacted by showing the customer should have created a 250 # pallet? This presort requirement will be handled just as other required pallets are.
  - USPS offering potential exceptions for mailings exceeding 1M pounds; process could allow pallet requirement to start at 300, 350, or 400 lbs. pallets.
  - Each request will be reviewed, considered, and evaluated separately.
  - Exception is job based, so Qtrly mailings would require exception requests each quarter.
  - What is the turn-around time of exceptions requests; it should be short time.
  - Discussion of long term solutions: SAMP modification to permit 4-5 FSS Schemes to be combined onto on SAMP pallet. If change requires any programming changes such as postage statements/eDoc statements/rates, implementation would be in Jan 2016 due to change requirement process.
  - 25% of reject issues are out of sort, but this is only 0.9% of the pieces fed
- **Bundle Breakage** = Lost Productivity-Manual Handlings-Rework;
  - Data is based on when we see a scan on a piece we know to be nested within a bundle (based on eDoc); this includes at least two scans per bundle
  - There was a question about a change in the performance trend on the Data chart: the change could be based the installation of the SEM (singulation enhanced module) and the data point being prior to the FSS prep requirements which removed a significant quantity of bundles from the APPS/APBS.
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- According to Pritha (VP Mail Entry & Business Technolgy), bundles should match eDoc preparation.
- Further analysis of the data is necessary to consider nesting errors, container types (sacked bundles), machine type (APPS vs APBS), bundle height/weight/piece count, co-mail of multi-sized pieces, combination of # of strap & polywrap (thickness of polywraps matter), transit distance/# of handoffs, other????
- There is a great deal of extra costs associated with handling broken bundles.
- Are we looking site by site? Yes, analysis will be conducted by USPS bundle processing site.
- **FAST Appointments:** USPS uses FAST appointments information to help staff, plan Operations, extra transportation, etc.
  - Some companies make the appts several days in advance to make sure they have an appt.
  - LTL consolidations are an issue as well.
  - Question: Wasn't there a project to expand FAST appts to 24/7 availability? Could roll out in January 2015.
  - Multi-Stop trucks being held at an earlier drop creates a late issue farther down. Need consistency on how we document the arrival time for drops, varies from facility to facility.
  - Issue: Different drop processes between SCF and NDC. Some customers not aware of these issues and will now go back to investigate.
  - Statement: USPS is getting a reputation for holding trucks, some trucking companies and drivers refuse to drop at postal facilities anymore. Need process to help with issue.
  - Statement: Need help desk to get back with customer to let them know what actions are taken to address the issue. We have fewer appointments on Sundays.
  - Changes to FAST appt around non-widely observed holidays are required to be approved by Linda. Can we create "at-risk" unloads which would flag operations?
  - Charlie Howard: Question about impact of CET/Service Standard changes on Std Mail and expected delivery days? Should not be an impact for Destination Entry. We will have to review for residual and end-to-end.

### **ACTION ITEMS**

- 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?

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- Look to analyze time trucks have to wait to unload.
- Review statistics for FAST Helpdesk
- FAST Helpdesk response rates/process.
- Update on status of Label List conflicts for presort and entry

## Session 3: PACKAGE SERVICES

(John Medeiros, MTAC Industry Leader)

### DISCUSSION TOPIC - Action Items from Last Meeting:

- Present out no-shows for FAST appointments by types, etc. –
- Expansion of number appointments;
- Determine if Parcel Select is to be exclude from HUBs;
- Clarify SOP for SCF Parcel Select drop shipment (5-digit versus 3-digit).

### DISCUSSION TOPIC

- **FAST Appointments:**
  - A third of our FAST appointments are no show and negatively impacting operations.
  - Questions: What percentage of no-shows were package service customers? What percentage were EVS because there is no 8125 to remind the employee to close the appointment in FAST? What percentage are SCF vs NDC?
  - If we can reduce the no-shows and lates, would allow the plants to use FAST more consistently for planning and workload measures. Multi-stop shipments and impacts;
  - Thought: With all of the reminders about opening appts to 24/7, there is 30% more appointments that could be used if managed correctly.
  - Question: How late can an appt be cancelled without showing as a no-show?
  - Question: Is there a future plan to tie FAST into yard management, GPS information, etc.? Long term yes.
- **Open Discussion:**
  - **Network Rationalization –**
    - Mail Move\_Schedule and list posted as updated;
    - Concern about Labeling List: issues around errors that happened with the last implementation;
    - Mailers state if we miss the window, we miss the chance to update or change list for their internal lists; USPS needs to keep this mind;
    - Question: Should the USPS have taken a different avenue and considered not charging for missorts etc.;
    - Discussion around timing of updates based on when the field has to submit it, when it needs to be given to the testers; and made available to customers for implementation;
  - **Plans for Peak:**
    - Looking to improve on the success from last year.

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- USPS has plenty of equipment.
- Ordering capacity from Airlines.
- Working with Area to finalize ground needs.
- We will be setting up special Sundays for processing just for holidays.
- Will have approximately forty annexes.
- We have one more thing to finalize to release cut off days. Vendors have customers already asking.
- UPS is most concerned about how we react to changes, issues, and recover. UPS has had conference calls with all 7 Area VPs. Wants a HQs contact to reach out to for discussions on what they and we are seeing. Dave Williams suggests we establish a regular cadence of calls to address issues and update everyone on day to day changes.
- UPS has issues with labels on the white bags that cannot be removed without tearing the bag. Causing missorts of whole bags.
- UPS is dropping trailers at USPS facilities where we (USPS) left it sit for 9 days before it was processed. It happened at a SCF on the West Coast.

### **ACTION ITEMS**

- 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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## Session 4: FIRST-CLASS MAIL

(Sharon Harrison, MTAC Industry Leader)

### DISCUSSION TOPIC - Action Items from last meeting:

- Follow-up on FCM palletization rules;
- Schedule site visit to explore label holder issues for trays;
- Coordinate AT&T Black Belt work with Postal Service (reference: DMM palletization);
- Provide list of Secure Destruction sites (current & planned):
  - Comment: In Robert Cintron's group, question came up about how FCM flats will be handled with roll out of FPARs; will there be an electronic image sent to the customer; will flats be rolled into Secure Destruction
- OIG visited AT&T site in regards to MTE

### DISCUSSION TOPIC

- **Flats 5d & 3d schemes for FCM:**
  - Cathy Moon stated cross-function meetings are being held;
  - USPS needs to incorporate this as well as vendors to prevent mailer scorecard errors;
  - Also working with a specific customer on 3d sortation for SPRS ;
  - Working to identify or create clear label list options for 3d & 5d sortations

### DISCUSSION TOPIC

- **Open Discussion:**
  - Remittance – In last week's call, Prat Shah discussed the make-up of the remittance (RMAC) board;
    - Discussion of how remittance is being measured for performance; performance is reviewed more now than ever; remittance mail has been on decline (consumer only), but B2B remittance is alive and well (stable); RMAC going to be meeting more regularly by conference call and committee work;
  - Mail Moves - As we make the mail moves, the overnight will grow from what they are when we have the Jan 5 roll out of the new CETs.
    - Presort mailers will see some overnight delivery for mail entered after the 8 AM CET. Need to separate service standards from actual delivery performance.
    - At 8 AM we will the start of the process of managed mail arriving from the world.
    - BME mail will arrive all day long.
    - Constraints driving when the mail will be able to be run: delivery points, stackers, cr rts (impact how many zone can fit on a machine);

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- As we expand the operating window (24 hour clock), we mitigate the impact of the volume constraint and limit the machines needed;
- By eliminating machines, we can expand remaining machines with more stackers and increase the zones on a sort program;
- At this time, we have no plan to announce what schemes/zones will run when; may see some of this intelligence incorporated in CSAs;
- Question: Can we take some of the prep costs out of the mail? – Definitely will be possible;
- Legislative actions: If required by Congress, how would the USPS handle a requirement to return to the service standards effective in July 2012?
  - We couldn't go back to the network of the time but we could go back to the service standards of today.

### **ACTION ITEMS**

- Report out on progress around FCM palletization
- Site visit to explore label holder issue for trays
- Secure destruction for Flats under new FPARS rollout.
- Presort option for 3 d and 5 d scheme for FCM Flats
- Will changes in operating window allow for more continual 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: Western is last area to go live on Sept 8; sites will be contacted by plants who supply their MTE.