

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

**Package Services  
Key Comments and Questions**

**John Medeiros, MTAC Industry Leader for Package Services**

*USPS Industry Engagement & Outreach Facilitator: Ruth Southworth*

**FG 4: Product Development 12:20 pm – 1:15 pm**

**Gary Reblin, VP, Domestic Products, USPS**

**Rose Flanagan, MTAC Industry Leader for Mail Pce Design/Prod Develop.**

*USPS Industry Engagement & Outreach Facilitator for Product Development: Jamie McHenry*

**Discussion notes:**

1. Pulse of the industry:
  - a. E-commerce – showing growth of 11% in package segment – signs are good for growth.
  - b. 15% of total USPS business was packages in 2008 and now it is 17.5%. B2C is 30%.
  - c. 5% of retail sales is ecommerce and this is expected to minimally double in the next 5 years.
  - d. Tablets are easy platform from which to ship – will encourage more online shopping and increase e-commerce sales.
  - e. Mobile B2C will increase shipping.
  - f. USPS will continue to drive e-commerce and grow in this business.
2. Discussion around Bound Printed Matter Flats and Bound Printed Matter Parcels – BPM Flats would be discussed in the Standard mailers sessions and BPM Parcels in the Package Services sessions. Product Management will work with industry to keep Bound Printed Matter in Market Dominant rather than move to Competitive. Currently completing evaluations. Average cost coverage is only at 98%. Ongoing discussions to create separations regarding density to pay by cube. USPS is not currently allowed to cross-subsidize; perhaps some solutions under the law. NSAs may be another possibility. However, BPM will not be moved at this time.
3. Network Rationalization and how it will affect parcels. Parcels are not going to follow letter mail. The changes should improve and possibly increase to an overnight network for parcels.
4. Package discounts for QR codes are being explored.

**Action Items:**

- Industry: submit some best case scenarios to send out on the next agenda, allowing for participants to bring thoughts/ideas to next meeting

**Agenda Items (for May):**

- Pulse of the Industry
- International Return Service
- Package Discounts – what's new
- Signature Confirmation on Parcel Select Light Weight (industry believes this product would be beneficial and that USPS is losing this to other delivery methods because of lack of signature)
- How could a QR incentive for packages be developed?
- What's new? What is being talked about for the future that's different from the past?
- How can USPS get in the game to allow discounts or contracts for customers moving to "free shipping" offers?
- Across the border parcel lift and international team

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**FG 7: Payment / Acceptance 1:25 pm – 2:20 pm**

**Pritha Mehra, VP, Mail Entry and Payment Technology, USPS**

**Dale Miller, MTAC Industry Leader for Acceptance**

**Angelo Anagnostopoulos, MTAC Industry Leader for Payment**

*USPS Industry Engagement & Outreach Facilitator for Payment/Acceptance: Anthony Frost and Tonya Dodson*

**Discussion notes:**

1. Network rationalization - even if plant is affected, BMEUs will not change for now. IF a BMEU needs to be relocated in the future, customers will be given at least 120 days notice. Refresher courses will be offered to BMEU employees
2. Industry concerned about the EVS surcharges with the last release. Surcharges took effect two weeks before the release was effective. Delivery Confirmation and surcharges are in the process of being revised and near completion. 2000 statements needed to be processed for refund. The industry was alerted through a User Group call, RIBBS and DMM Advisory.

**Action Items:**

- Industry: EVS surcharge issue was not communicated well. Review communication process and make changes as needed to ensure industry receives timely information. Suggestion: issue an Industry Alert when errors occur, and when they are resolved.

- Bound Printed Matter – suggestion to create a Work Group through VP, Pricing, to review if/how BPM Flats can be combined with Standards Flats or Periodicals.
  - EVS – substantial volumes cannot be viewed, so can't review or download. Look into more efficient ways to provide the data. CSV would be fine as long as it is manageable.
  - Issue an EVS announcement to mailer distribution list
  - Internal list must be notified immediately
  - Customer Gateway – there is no user guide; it is not intuitive, and has too many steps. Suggestion: create a quick Task Team to discuss (some potential TT members were suggested)
  - MITS needs to be updated with MTAC notes of Task Teams/Work & User Groups
  - Suggestion: Waive the 10% administrative fees when customers call in for support regarding USPS errors
  - Requested Early Bird list for DDU Deliveries?
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## **FG 10: Visibility / Service Performance 2:30 pm – 3:25 pm**

**Jim Cochrane, VP, Product Information, USPS**

**Lisa Bowes, MTAC Industry Leader for Service Performance**

*USPS Industry Engagement & Outreach Facilitator for Visibility / Service Performance: Paula McCollum and Neena Dhuria*

### **Discussion notes:**

1. Importance of tracking and knowing where packages are at all times – appreciate USPS progress and improvements in this area. Package visibility is one of USPS' few areas of capital expenditure.
2. March 25<sup>th</sup> launch of Parcel Tracking System / EVS with a 90-day release schedule. Goal of scans will be to post product information within minutes – initially, scans will be produced in approximately 15-minute intervals. Investing in scanners unwise since technology keeps changing; plan is to use “attrition method” of purchasing to keep pace with technology changes.
3. DPS sequencing – how will that differ for parcels? Organization will become more automated; network will be leaner and more efficient; supply chain costs for mailers will decrease as delivering to fewer plants; more visibility for monitoring; not getting away from an NDC environment.
4. International – growth of e-Packets. International inbound parcels are processed through barcodes as domestic and adopt standards of USPS services.

5. Packages not yet part of the Service Performance Diagnostics tool.
6. Looking for newer technology; a third of parcels processed weigh less than 1 pound – need better machines to sort through these.
7. Starting January 2013, parcels must have barcodes. Value of IMPb is minimal to businesses where tracking is not important, but still significant to USPS to allow tracking of packages to delivery point.

**Action Items:**

- Bound Printed Matter – still a challenge for file format. Work through with mailers.
- Unique Barcode or IMPb for destination discounts and appropriate file formats for January 2013 – work with mailers.

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**FG 13: Preparation & Entry (Operations) 3:35 pm – 4:30 pm**

**Dave Williams, VP, Network Operations, USPS**

**Todd Black, MTAC Industry Leader for Entry and Preparation**

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

**Discussion notes:**

1. Changes to the MTAC structure based in part on the success of POAC (Periodicals Operations Advisory Committee – smaller groups very focused on specific technical issues), and to facilitate direct interaction between Industry technical experts and USPS decision-makers, resulting in timely, actionable feedback
2. Network rationalization – plan is for 461 mail processing locations – project plans should be finalized in approximately 3 weeks. Should be no network impact on parcels; no service standards changes planned. Changes will be transparent – each gaining and losing facility will have individual interdependencies between facilities. No realignment will occur during fall holiday or peak mailing seasons.
3. SCF sorts will remain even after consolidation.
4. AMP decisions need to be finalized before USPS can determine the down-flow to build the label lists.
5. Dependency on DPS – no changes expected.
6. No change to NDC/DDU unless 3-digit relationship.

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7. DSCF impact – model is essentially staying the same – plan to change zones and zone rates to service standards.
8. There will be hubs – not yet defined where they will be or how many – similar to the HASP concept or Hub/Spoke operations.

**Action Items:**

- No realignment will occur during fall holiday or peak mailing seasons – USPS considers this Sept-Dec; industry suggested USPS consider using mid-August as start of peak mailing season.
- Zone changes – will not affect delivery units under network rationalization; however, will check on zone change.
- Postage statement and network zones don't match.

**Agenda Items:**

- Bring in other Operations Managers