

Northeast Area USPS & Industry Focus Group – January 24, 2013 Minutes

Kim Waltz, Industry Co-Chair for the Northeast Area Industry Focus Group Standard Mail Group welcomed the attendees to the meeting. Kim stated that in the past this meeting was geared towards Periodical Mailers and is now for Standard mailers as well and that the Focus Group is open to suggestions and ideas for future programs. She also stated that there was a wealth of knowledge in the room and encouraged everyone to take advantage of that by networking.

The Postal employees in the room were asked to stand; Kim then recognized them and applauded them, along with the other attendees, for their efforts during and after Hurricane Sandy which had a direct and substantial impact on the Northeast Area. She then reminded the attendees to complete their evaluations and surveys, which would also make them eligible to participate in the 2 drawings for USPS giveaways.

Next, Kim introduced Laurie Timmons, NEA Manager Marketing, Len Rooke, NEA Manager Consumer and Industry Contacts, Marc Riley, NEA Sr. BSN Specialist, Ted Freeman Industry Co-Chair, and Kim Peters District Manager of the Connecticut Valley District which includes Connecticut, Rhode Island and Western Massachusetts.

Kim Peters welcomed the attendees, said it was great to see everyone, and thanked everyone for their partnership.

Pritha Mehra, USPS VP Mail Entry and Payment Technology advised that the Postal Service is focused on visibility, and that this is a critical element for our customers. With mail being prepared using Full Service IMB and IMPB our customers can follow the process and delivery of their mail. She also advised that the Postal Service is working to simplify the payment process, eliminate the paperwork process and use a scan only process for payment as mail is entered. Pritha also spoke about the new 'Tech Credit' program, which is subject to approval by the Postal Regulatory Commission. Large volume permit holder/ Full Service IMB mailers will be reviewed for their volumes entered in 2012 (must be 125K pcs minimum) and could apply up to \$5,000.00 credit on their mailing accounts (one credit per business location) from June of 2013 through June 2014. Mailers have received a letter describing the program and Webinars have been offered to explain this customer incentive. A DMM Advisory is forthcoming and a 'Help Desk' to assist customers with this program will be opened. Attendees were advised to set up their profile in the system by registering on the Business Gateway to be eligible for this program. Customers must upload mailing electronically and this is not valid for Postal Wizard statements. Pritha reminded the attendees that next week mailers must use the IMB for automation discount.

A pilot program is being discussed where mailers will move multiple permits to one permit which would enable customers to "Mail Anywhere" – this does require 90% Full Service IMB. DMU's complicate this issue due to agreements. This program is listed on the 2013 USPS Promo Calendar. Pritha thanked the attendees.

Jim O'Brien, Vice President of Distribution and Postal Affairs, TIME, Inc. asked Pritha about the current Labeling Lists 'which do not always match where mail is processed'. For example; Deltrak mailings from Quad Graphics in Saratoga NY are transported to the Springfield, Mass Campus for processing on the FSS, from there the remaining mail (068 & 069 zones) is transported to the Stamford CT P&DC, yet the 069 mail for Stamford is processed in Springfield. The 069 portion of the mailing is received in Stamford then transported to Springfield for processing then transported back to Stamford for dispatch to the delivery units....why? Jim asked "What is the best way to maximize service?" Pritha asked Jim to send him an email regarding this process. Pritha was also asked about the challenges with software

suppliers having trouble with mail.dat using MSSSI and if the Help Desks were ready to assist with all of the new updates and changes. Pritha asked that she be sent an email on the specific inquiries.

Kristin Seaver, NEA Manager Operations began by noting that the Northeast Area Vice President, Rick Uluski, who was attending an AVP meeting in Chicago, extended his best wishes to the group and that he appreciated everyone attending. Rick also wanted everyone to know that he appreciated everyone's efforts and patience during Hurricane Sandy.

Kristin referred to the fall Industry Focus Group meeting as robust in conversation, and asked that we think about what has happened since that time.....

Frank Neri, a long time Senior Operations Manager who had strong ties to the Northeast Area, has passed away; a great loss to all of us.

Hurricane Sandy – the Postal Service lost 3 employees, and suffered devastating damage to the infrastructure. Kristin offered much thanks to the District and Lead Plant Managers hardest hit by Sandy, mentioning that they themselves and their employees suffered personal losses and that their communications were completely disrupted.

The Newtown CT – Sandy Hook Elementary School shooting, a local traumatic event that impacted the nation and the Postal Service.

Kristin's overview/presentation included; Sandy After Action, Service Performance Trends, Strategies, Tactics and Tools, and Network Rationalization.

A recap of Hurricane Sandy....

Dominick V Daniels P&DC was without power and not operational for 13 days. Morgan for 1 week and other plants had intermittent power. There were significant communications issues....no phone, no internet, and no cell phone service. Gasoline supply impacted transportation, (customers and USPS). Alternate drop sites were at capacity. Resources to move the mail were reduced. Remittance mail service was not processed and distributed in order. The Postal Service has learned a lot from this disaster and is working on a better response for operations, transportation, and communications.

Kristin then focused on the 15 Service Indicators the USPS tracks each week and provided a powerpoint presentation with graphs and data on mail processing. Diagnostic tools assist the Postal Service to provide consistent service. The Postal Service looks for target range and stability. For example, the USPS is still 5% to 6% late on periodicals service and is focusing on providing on consistent on time service. The USPS is reviewing equipment needs for mail processing facilities, site specific mail flow issues and pockets where we need to focus and drive performance. There is a need to streamline operations, less time in transit – back and forth to plants.

One of the tools used to measure performance is the 'WIP', Work In Progress, a visual tool that records how much time has elapsed between time the mail arrived and when it is processed and can identify hot points of the last mile and helps production planning and control. The data is reported by facility, district, and area, which is important during the consolidation process. Some of the changes forthcoming are.... Staten Island to Brooklyn, Cape Cod (Destinating and Originating) to Providence, Monsey to Westchester, Binghamton to Syracuse, Monsey Road Annex to Mid-Island and Western Nassau, Kilmer to DVD, Plattsburg to Albany and 018, 019 to Boston (DPC, flats and FSS remain in Middlesex-Essex.

Kristin ended her presentation by thanking the attendees and letting them know that they have our commitment.

Laurie Timmons, NEA Manager Marketing and National Postal Co-Chair, provided a powerpoint slide of the Agenda for the National Meeting of Area Focus Groups at the National Postal Forum in San Francisco on March 17, 2013 from 08:30am – 11:30am. The speakers include; Joyce McGarvey, National Industry Co-Chair, Laurie, Megan Brennan, USPS Chief Operating Officer and Executive Vice President, David Williams, USPS VP Network Operations, James Cochrane, USPS VP Product Information, Paul Vogel, USPS President, Digital Solutions and Sharon Owens, USPS Manager, Industry Engagement & Outreach. Laurie advised that the Focus Group has been expanded now for about a year. Laurie then provided the NPF Highlights and noted some changes such as the change in the Opening Session which is now the Area Session on Sunday the 17th, day one of the Forum.

Jim O'Brien, VP Distribution and Postal Affairs, Time, Inc., provided a Postal Legislative and Service Update. Jim advised that there are a new cast of characters that will be reviewing Postal Legislation and that the process will begin all over again – which is due process and floor time will be needed. The bill included a fix for Retiree Health Benefits payments, FERS, and 5 day delivery after 1 year. In 2012 Postal Legislation passed in the Senate, was drafted in House but NOT passed and the Lame duck effort was not successful. Jim explained why the lame duck failed... basically the only bill moving was the Fiscal Cliff, Senate Leader Harry Reid's influence, and possible Union influence? Now we must start over with the 113th Congress. The Bottom Line.....Congress will not act in the absence of crisis, which may be forthcoming if the USPS says it can't make payroll which may happen in October 2013. Jim presented a powerpoint presentation that expanded discussion on the details listed above. Jim also provided Deltrak Service Performance information for 2011 and 2012, noting slight improvement in 2012 for on time service, a decrease in 2 and 3 days late. Need more progress towards On Time; FSS locations need more work and focus on cover damage (Mike and Dave from H are on it), solutions aren't coming fast enough. The data on the Deltrak reports is by area, district, entry point and seed.

Phil Thompson, Quad Graphics & Industry Chair of MTAC provided an update from MTAC who meets quarterly with USPS Vice Presidents. The notes are published on RIBBS. Phil's presentation included...MTAC, (An association of associations, 51 of them) Who What When and Where, Group Highlights, Group Update and Appendices. This presentation is posted on the RIBBS website at <https://ribbs.usps.gov/index.cfm?page=periodicalsfocus> Phil explained the that when discussing By-For that the 'By' indicates who prepares the mail and that the 'For' is who the mail is for – this needs to be known for USPS promotions. Does the mailer ID get the information and credit or the CRID? This needs to be addressed.

Phil made reference to the last MTAC meeting where Dave Williams provided an update of current and future flats technology, a Hurricane Sandy debrief, status report for MTE (MTEOR which is receiving good reviews), and the MOP or Mail Optimization Matrix was reviewed. Gary Reblin provided discussion on incentives and Jim Cochrane provided an update on visibility technology and service updates. The RIBBS web site was discussed and did not receive a positive response...too many tabs, documents, etc.. Phil provided slides listing the topics for the 'Current Task Teams', MTAC Association listing, Key Links for mailers, MTAC Executive Committee members listing, and the MTAC Leadership listing. MTAC updates and information can be accessed at <https://ribbs.usps.gov/mtac>. If you have a question about or for MTAC send it to MTAC@usps.gov. Please send your ideas. Current discussion is on Growing Periodicals – what makes it difficult for mailers? Additionally information can be found on the OIG Flats costs study report for FY2011 regarding CET's, Consolidation and Automation on the MTAC web site.

John Stark, of Conde Nast provided information from the MTAC meeting on ACS service and the reasons for the unexpected hard copy that mailers may be receiving as well as the hard copy fee. It's been

found that the delivery unit will cross off the address bar code...be sure of the quality of the barcode and that it is accurate and correct. PS Form 3510; Application **for Reentry or Special Price Request for Periodicals Publication** will be automated. Discussion of Sack Rate / Pallet Rate and Air box continues. 70 pound issue with container. There is a prep and entry Task Team working on 20 ounces versus 22 ounces to grow Co-mail.

Kim Waltz brought the meeting to an end and advised the presentations and minutes would be posted to Ribbs under the Industry Outreach tab.

Tatiana Roy, Connecticut Valley Marketing Manager then presented the gifts to the drawing winners. The CTV Marketing team provided some very nice gifts/souvenirs related to the New Haven area to the winners.

Please note the NEA Industry Focus Group schedule of events for the remainder of 2013:

June 20th, 2013 New York, NY hosted by the NEA and NY District
October 3, 2013, Boston, MA hosted by the NEA and Greater Boston District

All presentations are on line at ribbs.usps.gov.