

Updated: _____

MTAC Focus Group Session Notes

Wednesday, May 21, 2014

MAIL PREPARATION AND ENTRY (OPERATIONS)

Dave Williams, USPS VP-Network Operations

Robert Schimek, MTAC Industry Leader, Entry & Preparation

Session 1: STANDARD MAIL

(Wanda Senne, MTAC Industry Leader)

Action Items from Last Meeting

- CIN codes (FAST & MDF) – FSS Facility and FSS Scheme Pallets: Will remove the pseudo CINs for FSS in July 2014. Have requested new FSS CINs in 2015.
- Load Leveling – Explore options for obtaining better visibility data (work with Product Information (CIO): Robert Cintron's group covered in their focus group.
- Obtain list of sites for load leveling: Was distributed after January MTAC meeting.
- FAST for FSS – Need ability to drop FSS scheme/Facilities sacks at FSS sites: Proposed for January 2015.

Engineering Technology Update

- Development Effort
 - Two Smart Stack RFIs were released and evaluation completed.
 - More RFIs are planned to support Pallet Unloading and Flats Bundle Sorter
- Bundle Induction Improvement Efforts
 - Deployment completed in March 2014 for the APPS Singulation Enhancement Module (SEM) and installation completed May 2014. Next step is to gather data on bundle breakage.
 - New tool is being developed to improve the bundle dumping. Testing will take place at the Curseen-Morris P&DC, Dulles P&DC and Richmond, VA P&DC, as well as three west coast sites. Late fall 2014 deployment is expected.
- High Speed Flats Feeder
 - Processing at the Dulles P&DC will continue to reduce on-site support to one tour and provide maintenance training.
 - Expected to install two additional high speed flats feeders in a *live* environment during summer of 2014. Site has yet to be determined but Philadelphia P&DC is the likely candidate.
- FSS Mail Handling Improvements
 - New separation belts and new welder tool are ready for deployment.

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- Twenty (20) machines to date and completion is expected by mid-June 2-14.
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- FPARS Update
 - No changes since last meeting, including critical design review dates, FPARS first article test dates, and deployment schedule dates.
- Other Updates
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 - Postal Service engineers met with RR Donnelley' team on May 15 and 16. Open dialog focused on 250lb FSS scheme pallet. Both teams were very pleased with the outcome. New ideas and action items were generated. Future meetings and visits are planned.

Workgroup / User Group Updates

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 - The new *PostOne!* production software update has been changed from July 13, 2014 to August 24, 2014. The postage statement changes take effect on September 7, 2014. Consequently, the Labeling List update for July 2014 will be treated as a regular quarterly update and the monthly updates will take effect on September 1, 2014.
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- A top-down approach is used to populate data in flat scheme labeling list L007. Data will be published June 1, 2014 and effective July 1, 2014.
- User Group 007 - MTEOR
 - Good news...no wait time for auto-registration (eliminates lots of key strokes).
 - Inventory orders can be modified without having to cancel the order and start all over.
 - Order history expanded to 30 days.
 - *RIBBS* page has been updated to include informational videos for local mailers.
 - Visit the UG 007 Resource Center on *RIBBS* for all meeting materials and minutes.
 - Next meeting scheduled for June 24, 2014.

MTEOR Update

- MTEOR Launch for Local Mailers
 - Allows mailers to request MTE from local plants online.
 - Areas completed so far are:
 - Southern Pacific
 - Northern Pacific
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Load Leveling Update

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- Carriers returned by 1700 and 1800
 - Significant improvements have been made:
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 - April 2014: 1700 @ 76.4% : 1800 @ 95.8%
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 - Final clearance needed to post.
 - A costing subgroup is forming to explore additional opportunities.
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 - Efforts will continue through 2014
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FSS Prep – 250lb Pallet

- Deltas
 - FSS requires more robust pricing
 - Mail Service Provider (MSP) has reported automated production lines are impacted by 250lb pallets.

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- Pluses
 - Fewer bundles made in FSS zones
 - Uniform bundles are easier to stack on pallets and uniform pallets stack easier.
 - Standard flats 1/10th cent discount for DFSS entry.
 - Periodicals pallet fee waived for DFSS entry of scheme pallets
- Effects in Postal Service Operations
 - Larger and fewer bundles
 - Bundles on scheme pallets bypass bundle sort operations
 - Combined with bundle reductions, eliminates an estimated total of 47% of bundles from APPS / APBS operations for FSS zones.
- 250lb Pallet Requirement
 - Both FSS scheme and facility pallets were required at 250lbs. under optional FSS preparation, but USPS moved facility pallets to optional at all weights.
 - Postal Service increased pallet stack limit from 4 to 6 pallets high to facilitate drop shipments
 - Postal Service forecast overall 7% increase in total pallet volume for flats based on January 2014 FSS label list.
 - Postal Service pallet inventories are strong and pallet demand is below same period last year (SPLY).

Network Rationalization Phase II Status

- Current Status
 - There is no news on this item. Postal Service will provide a 90-day notification to mailers when consolidation resumes.

Open Discussion: None

ACTION ITEMS

- Follow-up on *penalty* for utilization of wrong labeling list and MDF (Pritha)
- Start monthly *Label List* update on September 1, 2014 (August 1 is the date to publish data; July will be a regular quarterly update):
 - Send out *Industry Alert* and host *Webinar* to update the mailing industry
- Establish new MTAC User *Group* to explore options for Labeling List and mail directional files (L606 mismatch still not resolved)
- Send to mailers Megan Brennan's slide regarding *DSCF Standard Mail Load Leveling* update

Session 2: PACKAGE SERVICES

(John Medeiros, MTAC Industry Leader)

Action Items from Last Meeting

- More lead time (at least 14 days) needed to announce webinars: **Completed**

Updated: _____

- Make change to verbiage regarding Structure Release Cycle and post updated schedule on RIBBS: **Completed**
- Industry is looking for a list that identifies 2014 consolidations without service standard changes: **None of the Phase 2 sites will be consolidated without service standard changes. Postal Service committed to a minimum of 90 days to notify industry prior to implementing.**
- Define what mail classes/subclasses & shapes are part of load leveling: **All Standard DSCF entered letters, flats and parcels.**
- Are HUBs included in load leveling? **Yes, applicable mail flowing through HUBS will be subject to Load Leveling.**
- Look into capability to open additional FAST appointments as it relates to Load Leveling: **Not resolved...update to be provided at next meeting.**

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Open Discussion

- Standard parcel select SCF 5-digit drops list of color codes to be provided.

ACTION ITEMS

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

Session 3: FIRST-CLASS MAIL

(Sharon Harrison, MTAC Industry Leader)

Action Items from Last Meeting

- DMM Simplification and communication approach: **Covered in the Tuesday's Open Session.**
- Industry concern with organizational responsibility/integration with DMM changes: **Covered in the Tuesday's Open Session.**
- PARS mail flow diagram by mail class: **Provided in slide deck.**
- Education on FCM palletization rules: **Internal group reviewing and seeking to provide clarity. Will work with industry to communicate and train.**
 - Webinar
 - Work with Mailing Standards

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- Communicate facility consolidations that could be implemented without overnight service standard change: **None of the Phase 2 sites will be consolidated without service standard changes. Postal Service committed to a minimum of 90 days to notify industry prior to implementing.**

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PARS Mailflow Diagram / RTS Process

- Diagram with ART ID
 - Flow diagram was shown and discussed.
 - If requested, electronic notification sent to mailers.

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- PARS Return to Sender (RTS) Process
 - Carrier or box clerk identifies RTS that is:
 - Undeliverable as addressed.
 - No current matching Change of Address order.
 - Eligible for return processing based on mail class and Ancillary Service Endorsement (ASE).
- Delivery Unit prepares mail for PARS processing
 - Mail is separated by RTS reason type.
 - RTS separator card inserted before each reason type.
 - Trays are labeled with RTS tags.
 - Mail is containerized with placard identifying it as RTS mail and directing it to designated PARS CIOSS processing plant.
- Disposition of letters is determined during PARS processing. Possible dispositions are based on:
 - Mail Class
 - ASE
 - Service Type Identifiers in Intelligent Mail barcode

Customer Supplier Agreement (CSA) Process & DMM Palletization Rules

- Current Status
 - Takes more than 56 days to obtain approvals (too long). The same process is used to make changes and when rejected the CSA must start all over in the process.
 - First Pass Yield is 63%.
- Future Plans
 - Reduce approval process lead time from 56 days to less than 30 days by August 1, 2014.
 - Target is a 15-day approval process.
 - Location in FAST for CSAs.
- FCM Palletization
 - Mailers may palletize First-Class Mail (FCM) according to a local customer/ supplier agreement (CSA) or under DMM 705.8.10.1 (DMM states that FCM palletization is optional).
 - Conflicts exist when / if FCM palletization is require for Full Service. Meeting is expected to occur in early June with key stakeholders.

Secure Destruction Update

Current and Future Plans

- There are currently seven (7) active sites (one in each Area). Limited number of mailers and volume.
- National deployment will activate 54 additional sites (planned completion date: November 2104).

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Remittance Mail Update

- Key Communications Channels
 - Remittance Mail Advisory Committee (RMAC)
 - MTAC Remittance Group
 - BSN Customer Gateway
- New Products Committee
 - Remittance Mail Redirect program is ready.
 - Awaiting data from potential customers and receiving interest for bank customers.
- Operational Performance Committee
 - Spring Phoenix Hecht survey completed the week May 12, 2014 (awaiting results).
 - Key Emphasis

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- Align mail availability with customer pickup times
- Continue to work with local district RMACs.

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Open Discussion

- BSN / PostalOne! Help Desk
 - Plan is to integrate all customer issue history into one system, including e-service reporting system.
- Disasters
 - Postal Service should inform mailers of 5-digit ZIP codes in disaster areas. This would help FCMs (e.g., AT&T) determine how they want to management notices to the customer is the disaster areas.

ACTION ITEMS

- Follow-up on First-Class Mail palletization rules (potential workgroup to be established)
- 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)

Session 4: PERIODICALS

(John Stark, MTAC Industry Leader)

Action Items from Last Meeting

- Determine if software can handle backup procedure for sending electronic data of address information: **This action was related to FPARS and any changes to forwarded mail service, currently provided by CFS, when FPARS goes "live". The answer is – there will be no changes to ACS service, therefore, the customer will have the same information with FPARS as they do with the current mail forwarding system.**
- HUB list published outside of FAST: **Will also be published on RIBBS.**
- Scan data on bundles being worked manually: **This will carry over to the next meeting.**

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 - October 2013: 1700 @ 65.2% : 1800 @ 88.4%
 - April 2014: 1700 @ 76.4% : 1800 @ 95.8%
 - Target is 95% for 1700 and 100% for 1800. The weekly trend line for carriers returned by 1700 is moving in a positive direction for major metro areas and at the National level.
 - As part of Megan Brennan's presentation at the Open Session, request to send out slides that provides a complete update.

Mail Prep & Entry Steering Committee Update

- Ideas Log
 - 116 ideas submitted to date
 - 63 closed, 22 completed, and 31 remaining.
- Benefit / Effort Matrix
 - High Priority – 9 items
 - Medium Priority – 16 items
 - Low Priority – 5 items
 - Pending further review – 1 item

Flats Strategy Update

- Current Status
 - Collaborative effort with Industry Association leaders include:
 - Final clearance needed to post.

Updated: _____

- A costing subgroup is forming to explore additional opportunities.
- Looking for industry volunteers for other teams.
- Efforts will continue through 2014

- Strategies and Initiative Specific to FSS
 - High Speed Feeders
 - Lean Six Sigma (LSS) Project (SAMP improvements)
 - FSS Prep Fine Tuning (proposed for 2015)
 - Low Volume Sort Plan / Zone Packing
 - Investigate a low cost and streamlined bundle sorter solution to co-locate with FSS.

- Strategies Impacting All Flats
 - Increase profitability of flats
 - FPARS
 - LSS Project (Sack reduction)
 - Date of induction instead of date of acceptance will apply to Labeling Lists and MDF utilized as of October 2014.
 - Moving to monthly Structure Release Cycle
 - Incent 5-digit pallets for Periodicals
 - Refine flat mail characteristics for automation
 - Develop co-mail/copal promotional piece
 - Work with MSPs on co-mail bundle breakage

FSS Prep – 250lb Pallet

- Deltas
 - FSS requires more robust pricing
 - Mail Service Provider (MSP) has reported automated production lines are impacted by 250lb pallets.

- Pluses
 - Fewer bundles made in FSS zones
 - Uniform bundles are easier to stack on pallets and uniform pallets stack easier.
 - Standard flats 1/10th cent discount for DFSS entry.
 - Periodicals pallet fee waived for DFSS entry of scheme pallets

- Effects in Postal Service Operations
 - Larger and fewer bundles
 - Bundles on scheme pallets bypass bundle sort operations
 - Combined with bundle reductions, eliminates an estimated total of 47% of bundles from APPS / APBS operations for FSS zones.

- 250lb Pallet Requirement
 - Both FSS scheme and facility pallets were required at 250lbs. under optional FSS preparation, but USPS moved facility pallets to optional at all weights.

 - Postal Service increased pallet stack limit from 4 to 6 pallets high to facilitate drop shipments

 - Postal Service forecast overall 7% increase in total pallet volume for flats based on January 2014 FSS label list.

 - Postal Service pallet inventories are strong and pallet demand is below same period last year (SPLY).

Updated: _____

Network Rationalization Phase II Status

➤ Current Status

- There is no news on this item. Postal Service will provide a 90-day notification to mailers when consolidation resumes.

Open Discussion: None

ACTION ITEMS

- Scan data on bundles worked manually (**Linda Malone**)
 - Within 30 days
- Report out difference between pre/post implementation of APPS SEM (**Leon**)
- Schedule facility visit for bundle breakage observation (**Paul Mitchell**)
- Share initial results from SAMP LSS projects
- Look into non-machineable matter subject to label lists
- Look into the process/procedure for nesting of tubs