



Flats Sequencing System (FSS) Industry Webinar

Click [here](#) to listen to a recording of this presentation.

November 14, 2013

- **Background**
- **Flats Facts**
- **Flats Sequencing System (FSS)**
- **Results – Capturing Savings**
- **FSS Mail Prep & Rates**
- **FSS Operational Improvements**
- **Conclusion & Questions**



Large Envelopes



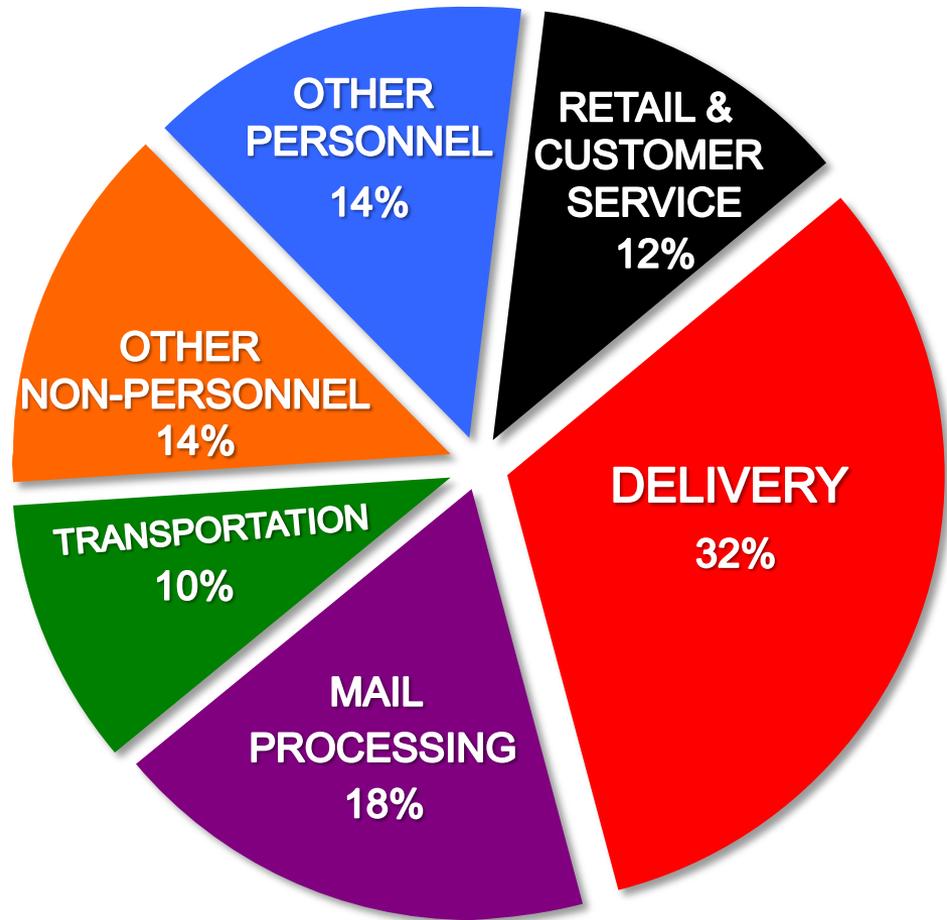
Magazines



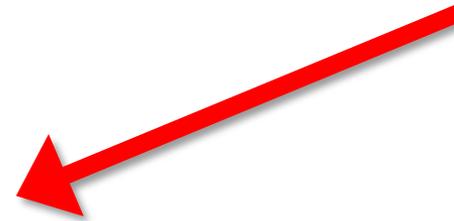
Newspapers

Catalogs

2012 OPERATING EXPENSES - \$67.5B



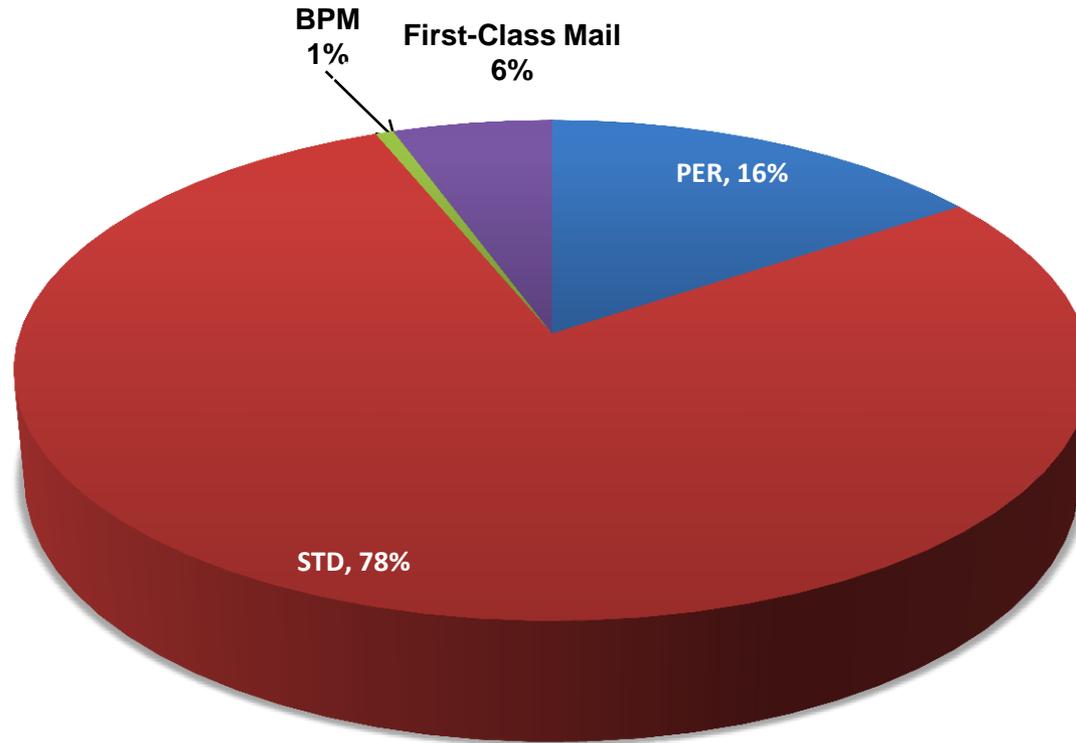
DELIVERY OPERATIONS
LARGEST COST CENTER



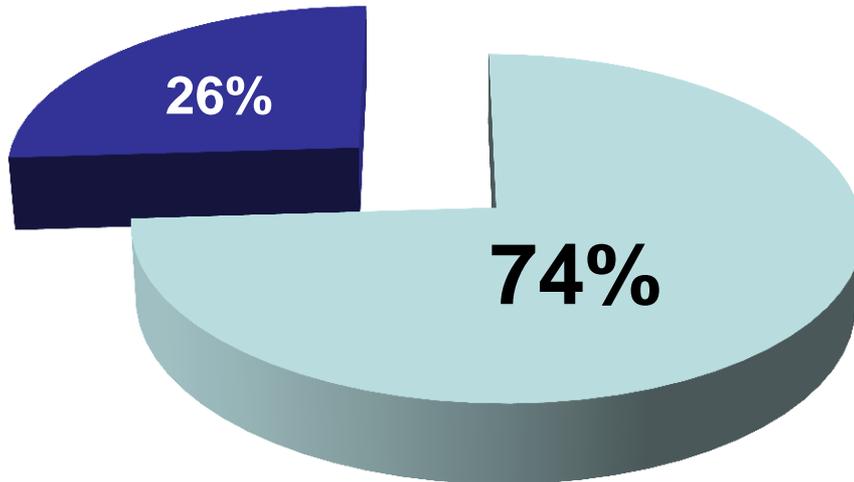
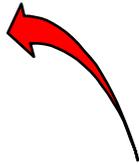
- Technology Places Mail Pieces into Exact Order of Delivery
- USPS Has Sequenced Letters Since 1993
 - Over \$5 Billion Annual Savings
- Flats Sequencing System Replicates for Flats What we do for Letters



**35.8 Billion Flats
FY 2012 (RPW)**



Saturation

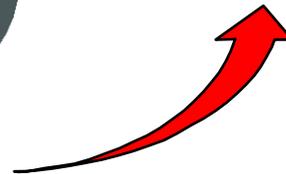


26.5 Billion Flats



Needs Casing
By Carrier

**FSS
Target
Volume**

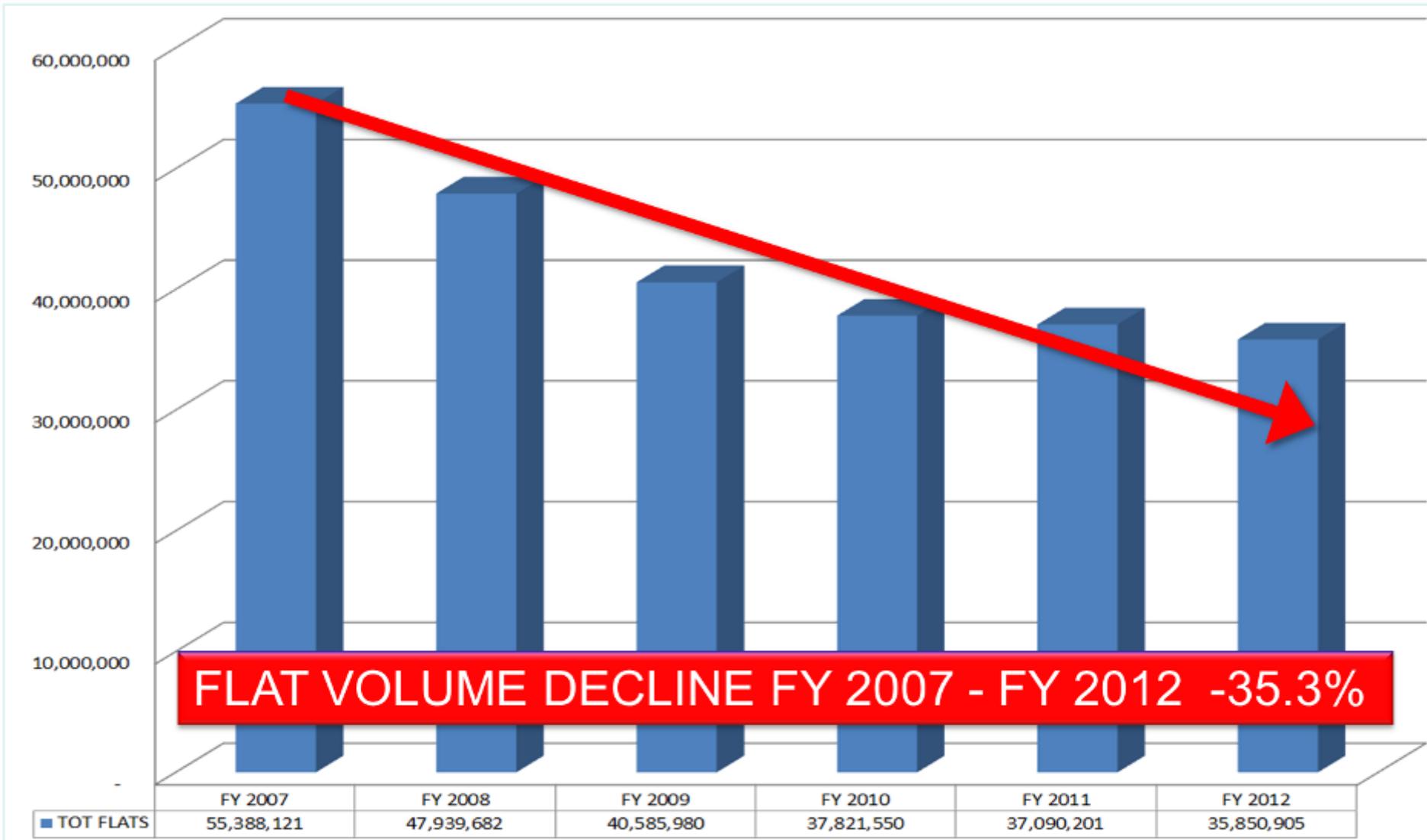


Flats Sequencing System (FSS)

- Phase 1 FSS Deployment
 - 100 Machines
 - 47 Locations
 - 21% of Flats Volume
 - Final Activation August 2011

- **17 Hour Run Day (Operating Window)**
- **1st and 2nd Pass are Run Consecutively**
- **Each Zone Will be Run Once a Day**
- **One Dispatch Per Day Per Zone (other than FCM)**
 - **FCM May Not be in DPS based on FSS Operating Window and Mail Availability**

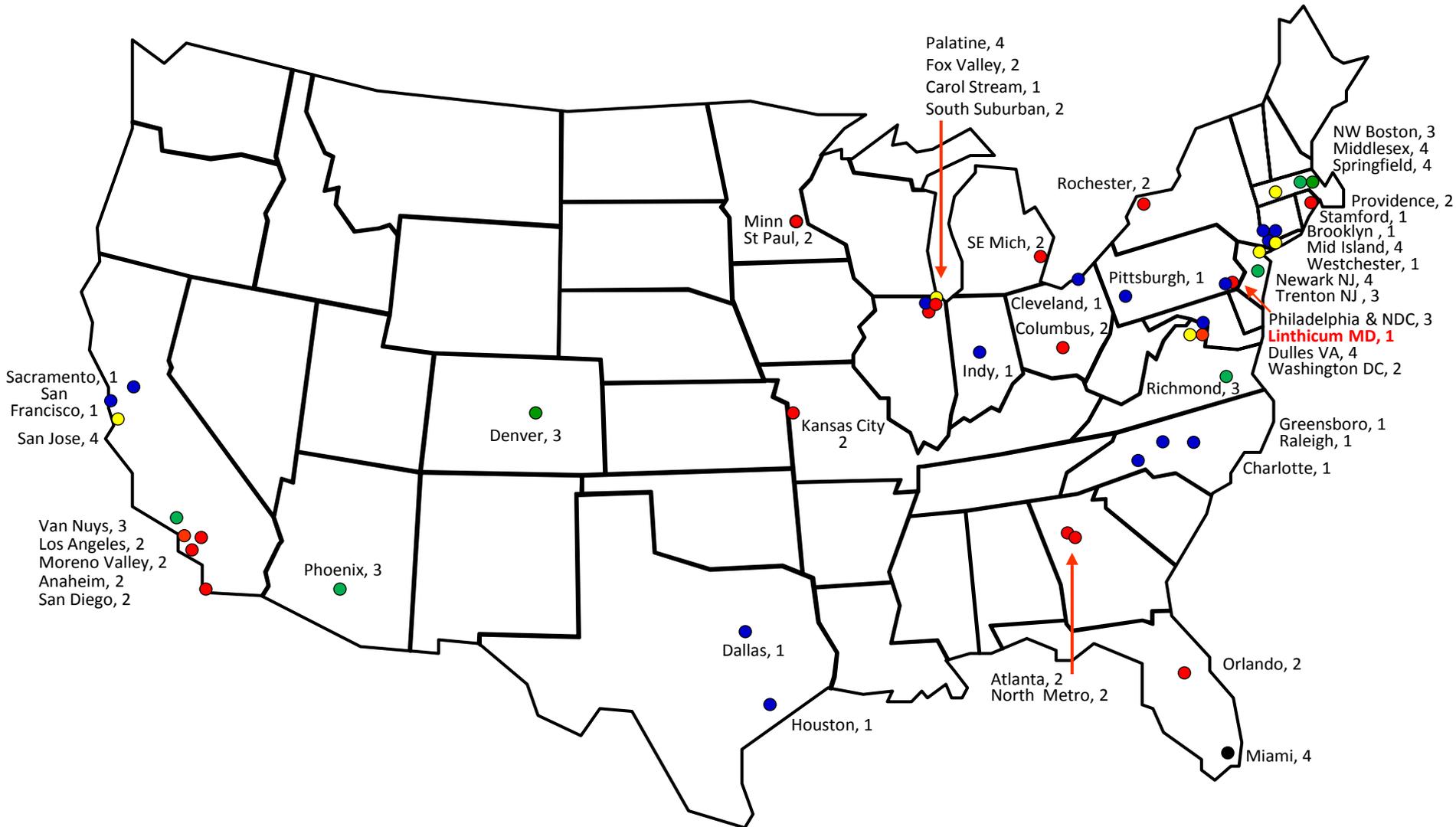
Flat Volume Declines



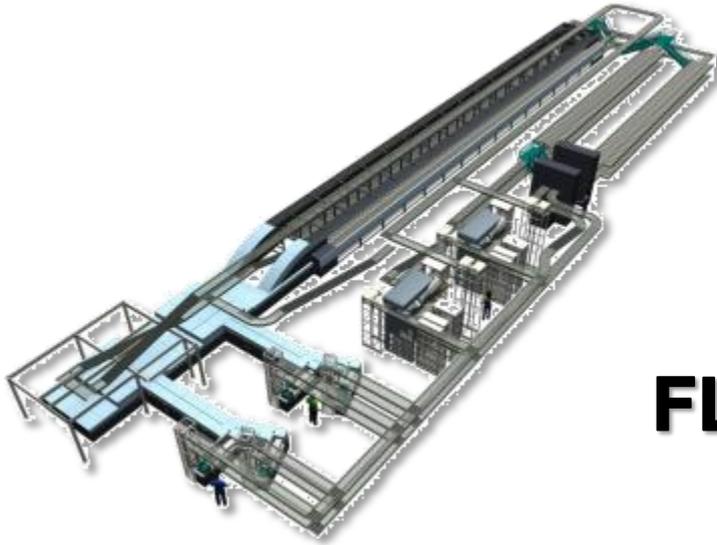
First Class, Periodicals, High Density Standard Saturation, Standard, Standard Carrier Route, Bound Printed Matter

DataSource: USPS RPW

FSS Deployment – 100 FSS, 47 FSS Sites



FSS Results



FSS

FLAT SEQUENCING SYSTEM

**THE FSS HAS BEEN A KEY ELEMENT OF THE
AUTOMATION PLATFORM RESPONSIBLE FOR
DRIVING OUR SUCCESS IN REDUCING DELIVERY
INFRASTRUCTURE AND COSTS**

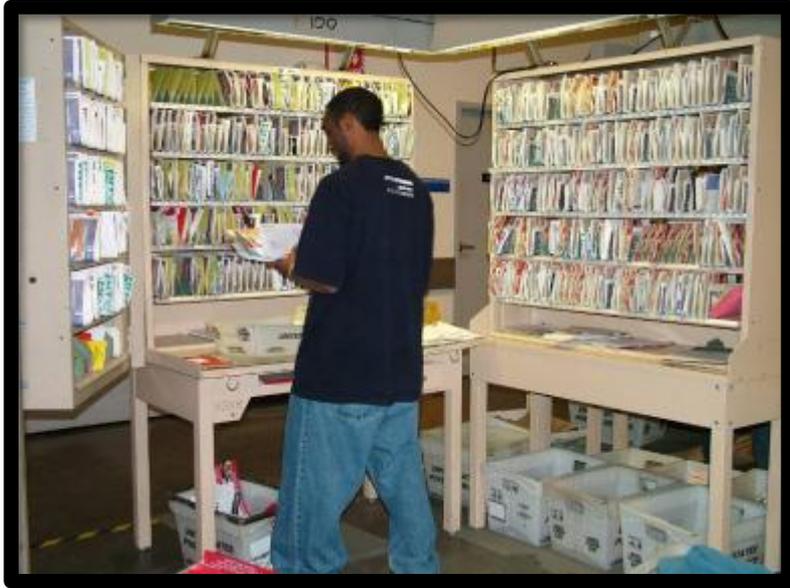
IMPLEMENTATION OF PHASE 1 FSS HAS DRIVEN SIGNIFICANT COST REDUCTIONS RELATED TO REDUCED DELIVERY INFRASTRUCTURE

- **DELIVERY ROUTE / VEHICLE REDUCTIONS**
- **CARRIER OFFICE TIME**
- **DELIVERY UNIT CONSOLIDATIONS**

SIGNIFICANT SAVINGS

- 2,400 Zones run on FSS daily
- 45K City Carriers receiving sequenced flats
- 4,359 City Routes Eliminated
 - Annual Reduction of 10M in-office hours
- 7,100 Rural Carriers receiving sequenced flats
 - Annual Reduction over 1M in-office hours

Benefits of FSS Implementation



PRE-FSS CONFIGURATION



POST FSS CONFIGURATION

SIGNIFICANT REDUCTIONS IN REQUIRED FACILITY SPACE



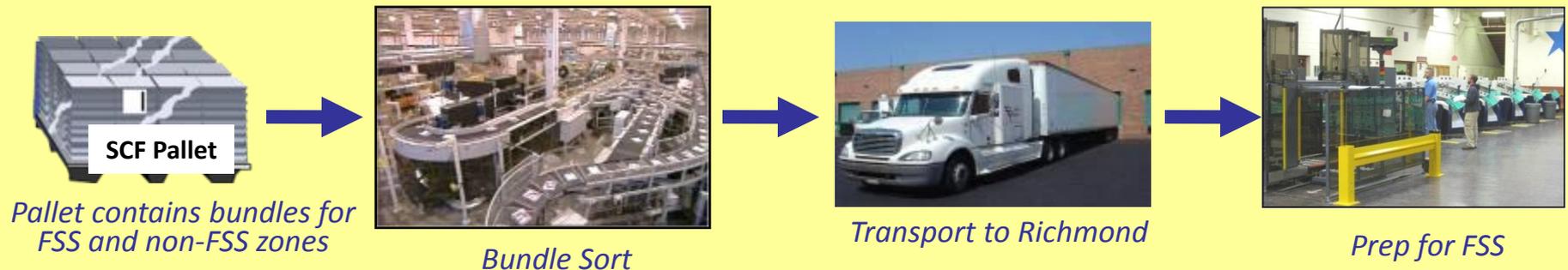
FSS currently sequencing only 60%

Too many flats have little potential to reach the FSS operation...

Flats dropped at VA Beach DDU by mailer

- USPS must transport from DDU to Norfolk plant, 80 miles to Richmond for sequencing on FSS and back to VA Beach
- First Class and Periodicals can't backflow and make service standard – requires costly manual casing
- Even Standard mail is often not back flowed for sequencing – requires costly manual casing

Flow of 5D bundles for VA Beach FSS zone on DSCF Norfolk pallet



Flats dropped at SCF Norfolk by mailer

- FSS zones & non-FSS zones mixed on SCF pallet - requires bundle sort prior to transport to Richmond
- Each FSS zone is only processed once per day, operation begins as early as **noon**
- Periodicals generally cannot make the operating window / service standard – opportunity to sequence is lost

FSS Mail Prep & Rates

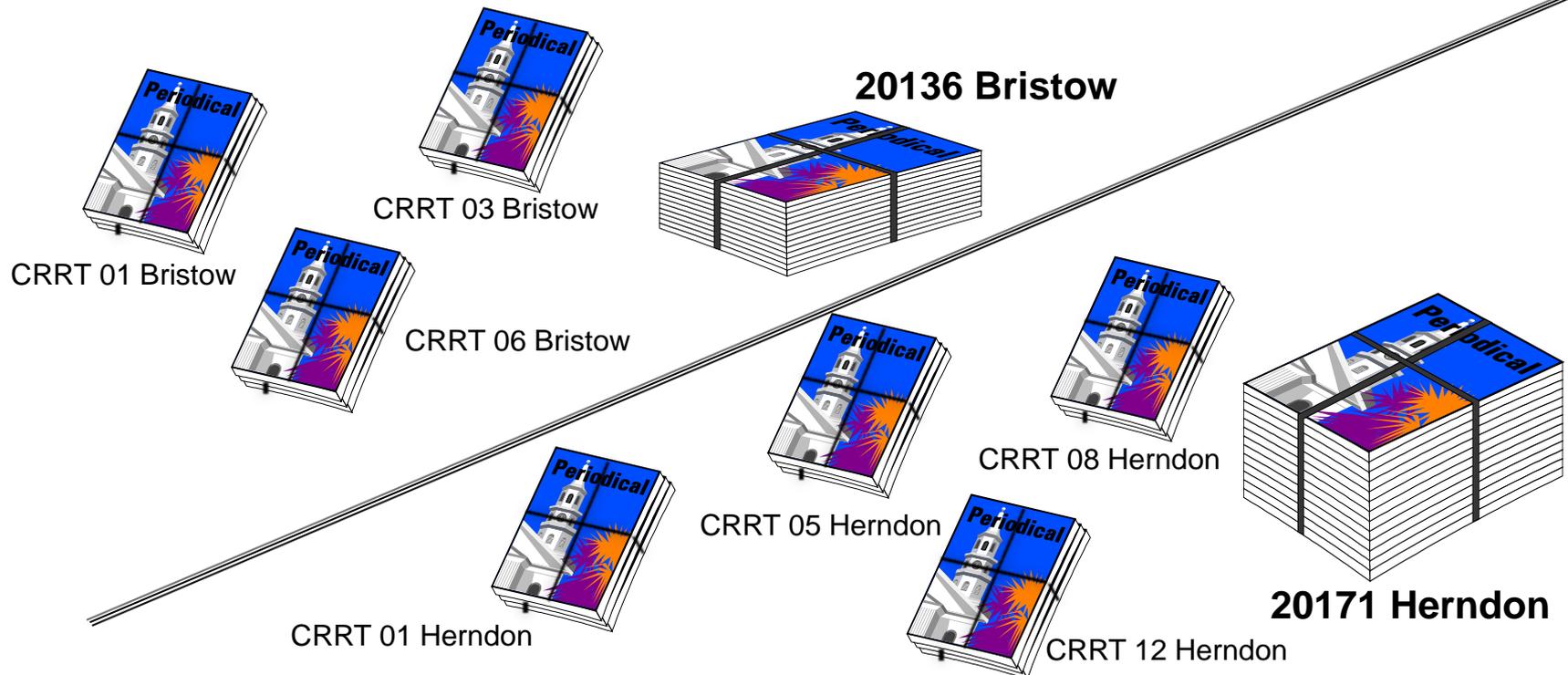
- **Flats Sequencing System (FSS) prep will be required in January for most Periodicals, Standard Mail & Bound Printed Matter flats**
 - **Produce larger, more uniform bundles – using less straps & polywrap**
 - **FSS scheme bundles align with FSS sorting programs (L006)**
 - **FSS scheme pallets flow directly to the FSS mail prep (SAMP)**
 - **FSS scheme pallets bypass bundle distribution – improving cycle time and reduces potential for bundle breakage and added handlings**
 - **FSS facility pallets enable managing batting order of FSS zones queued for bundle distribution, maximizing the number of flats available for FSS sorting**
 - **End-to-End visibility – leverages use of data**
 - **Creates lowest-combined-cost system**

FSS mail prep makeup

- **FSS scheme bundles**
 - Make bundles to match FSS sort-schemes (sort programs)
- **FSS scheme pallets**
 - Make pallets of FSS scheme bundles to match a single FSS sort program
- **FSS facility pallets**
 - Make pallets of bundles for multiple FSS sort programs in the same building



- **Presort software will determine rates for which pieces would otherwise have qualified**
 - Pieces at HD, HD+, CRRT, 5-digit and 3-digit – piece rate equals normal presort rate
 - Pieces at ADC or MXD ADC – piece rate equals 3-digit



■ FSS Scheme Bundle

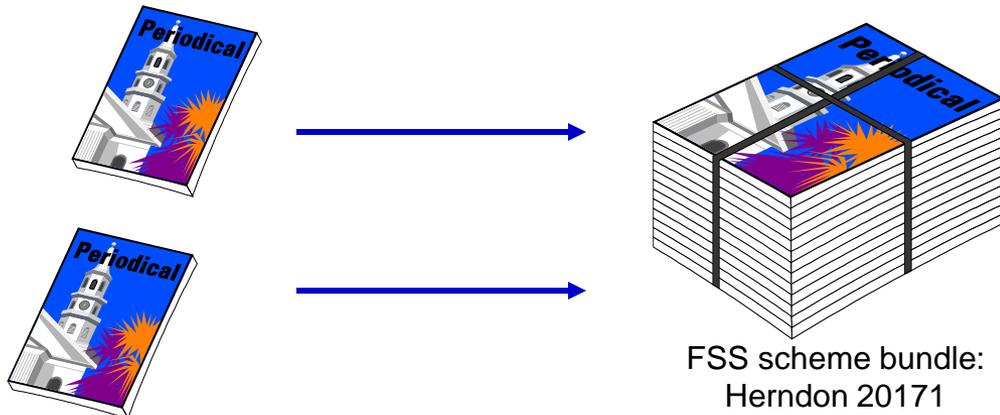
- Combines flat mail pieces for all 5-digit ZIP Codes in a single FSS sort program
 - Carrier Route and 5-digit bundles no longer permitted
 - Some 3-digit mail will also move to scheme bundle
 - **Average bundle size will double – productivity improved for mailer and USPS**

Sort program: FSS Herndon 20171 (LO20171)

ZIPs included:

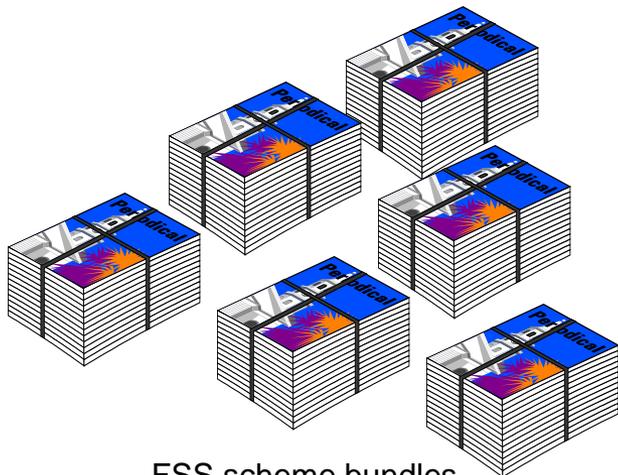
20171 Herndon

20136 Bristow

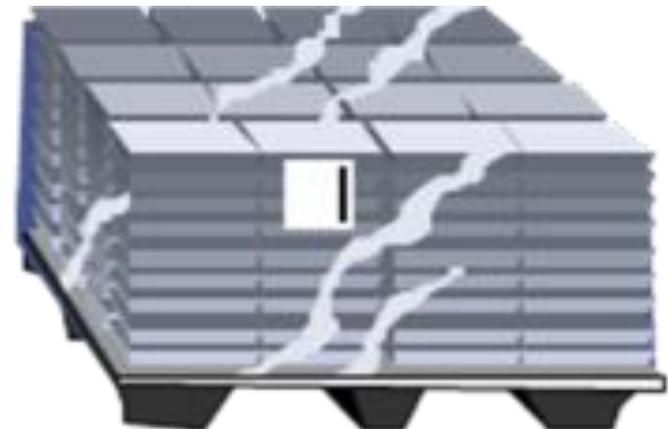
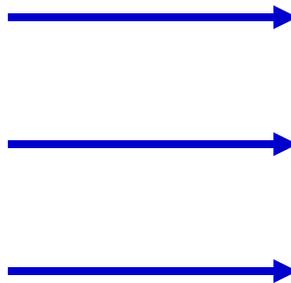


- **FSS Scheme Pallet - Required @ 250lbs**
 - All bundles on the pallet will be for a single FSS sort program
 - **Incentives for dropping scheme pallets at DFSS location**
 - FSS scheme tubs/sacks also permitted for smaller volumes

FSS scheme pallet: FSS Herndon VA 20171

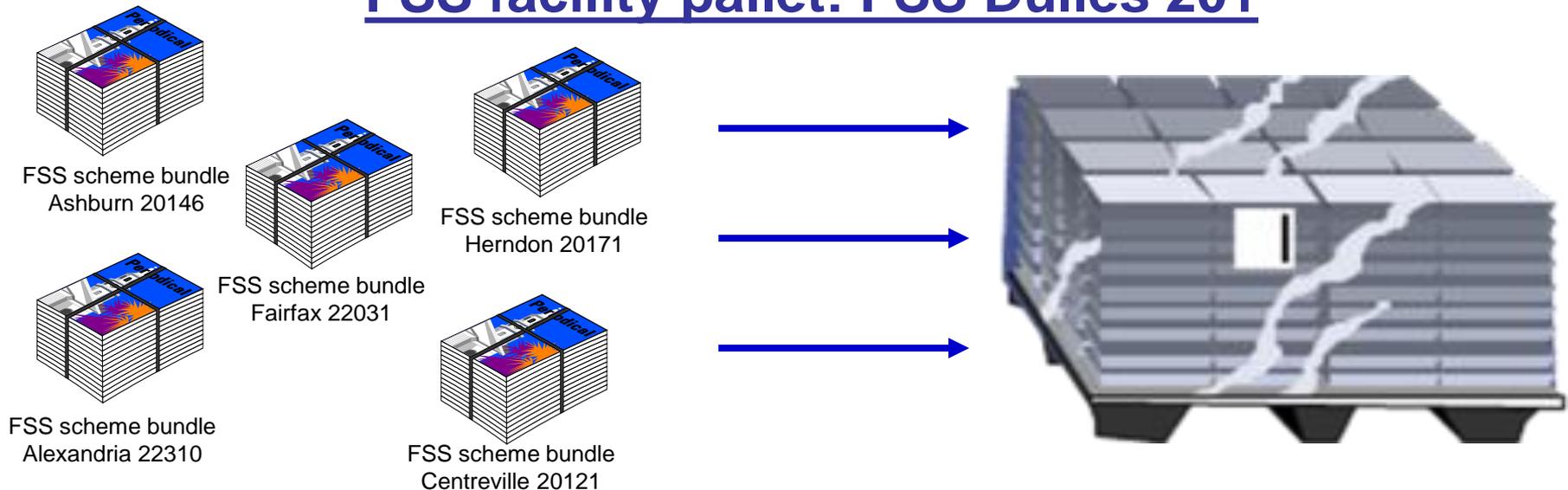


FSS scheme bundles
Herndon 20171

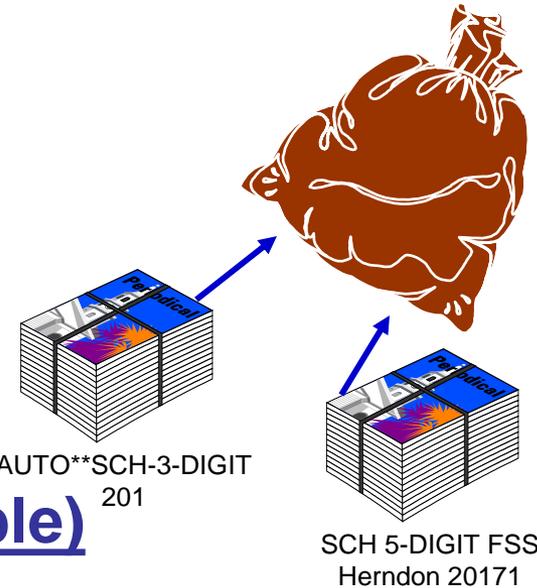


- **FSS Facility Pallet – Optional**
 - The pallet contains FSS scheme bundles for any or all FSS sort programs processed in one FSS site
 - FSS facility tubs/sacks also permitted for smaller volumes
 - These containers may not be entered at the DFSS site at this time

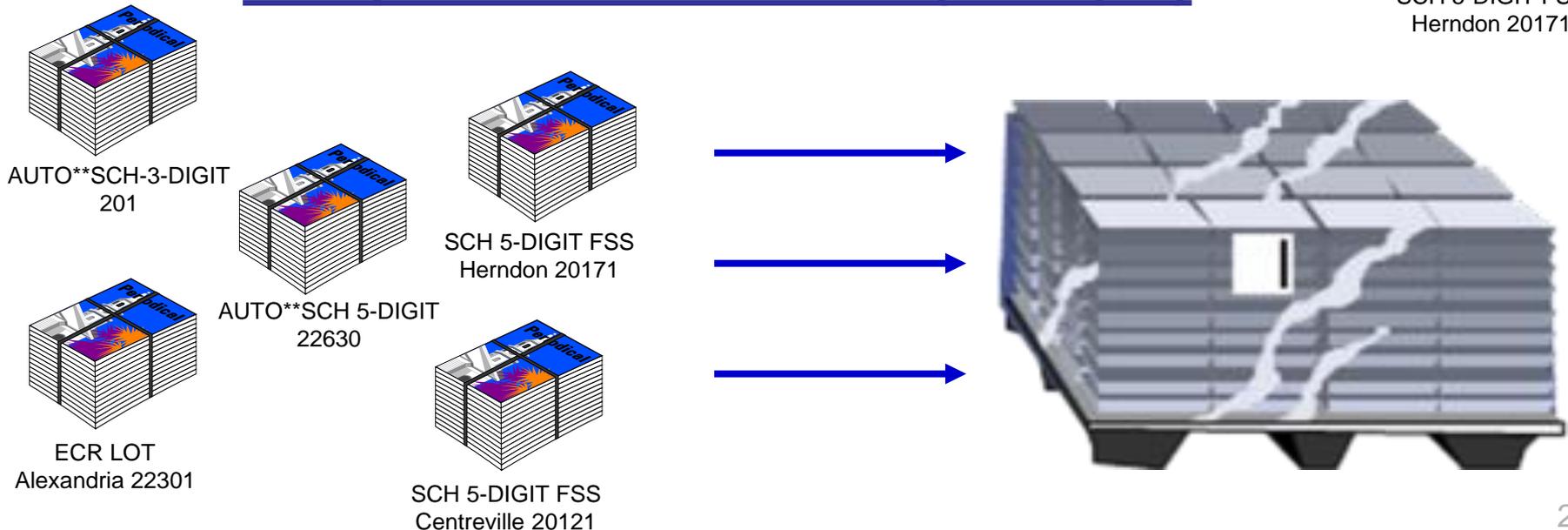
FSS facility pallet: FSS Dulles 201



- Other pallets or sacks
 - May contain FSS scheme bundles and other presorted bundles



SCF pallet: Dulles VA 201 (example)



- **Address label and optional endorsement line (OEL) on FSS scheme bundle pieces**



OEL is printed on the mail piece or label above the address block and identifies the sortation level of the bundle

*****SCH 5-DIGIT 20171 FSS



BRIGHT SUNSHINE
123 EASY ST
HERNDON VA 20171-1234

- Each pallet has a placard affixed which identifies the pallet content and destination of the mail



Placard colors:

- White for First-Class and Standard Flats
- Pink for Periodicals
- *Note: Periodicals bearing an Intelligent Mail container barcode may be white, but must include a pink vertical identification bar along the left-hand side of the placard*



FSS Scheme Container Placard / Label

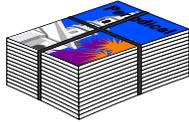
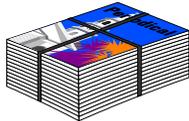
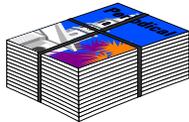


<p>FSS HERNDON VA 20171 STD FLATS 5D BC FSS SCHEME</p> <p>SUNSHINE PRINTERS STRASBURG VA</p> <hr/> <p>USPS BARCODE</p>  <p>99 M 912345678 ---123456</p> <hr/> <p><i>Mailer/Acceptance Unit Area</i></p>
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FSS Facility Container Placard / Label



<p>FSS DULLES 201 STD FLATS 5D BC FSS SCHEME</p> <p>SUNSHINE PRNTERS STRASBURG VA</p> <hr/> <p>USPS BARCODE</p>  <p>99 M 912345678 ---123456</p> <hr/> <p><i>Mailer/Acceptance Unit Area</i></p>
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<i>Pallet Description</i>	<i>Bundle Make-up</i>	<i>Mail Flow (1st handling)</i>
<p><i>Required @ 250 lbs</i></p>  <p>FSS Scheme Pallet <i>All bundles on pallet for same FSS sort program</i></p>	 <p>Bundles prepared for a single FSS sort program</p>	<p>Stand Alone Mail Prep (SAMP)</p> <p>Bypasses all bundle distribution</p>
<p><i>Optional</i></p>  <p>FSS Facility Pallet <i>Pallet contains bundles for any or all FSS sort programs processed in FSS site</i></p>	 <p>Bundles prepared for a single FSS sort program</p>	<p>APPS / APBS</p> <p>Enables managing batting order of FSS zones and queue for bundle distribution</p>
 <p>Other Presort Pallets or Sacks <i>May contain FSS scheme bundles along with other presorted bundles</i></p>	 <p>Automation compatible bundles CR-RT, 5-D, FSS scheme and SCF</p>	<p>APPS / APBS</p>

- ❑ FSS bundle and container prep required in FSS zones
 - FSS scheme bundle allowed at any container presort level – e.g. MADC, ADC, 3D, SCF, FSS
 - FSS scheme bundle allowed entry at Origin, DNDC, DADC, DSCF, DFSS
 - No FSS scheme bundles may be DDU entered
 - FSS scheme bundle minimums – Periodicals 6, Standard 10, or 3” for either regardless of number of pieces
- ❑ In co-mail operations have option to prep HD or HD+ under FSS rules
- ❑ Also option for pure HD or HD+ to prep to FSS rules if automation compatible
- ❑ Periodicals in-county and out-of-county up to 5,000 pieces continues current prep
- ❑ Saturation mail is excluded from FSS prep requirements

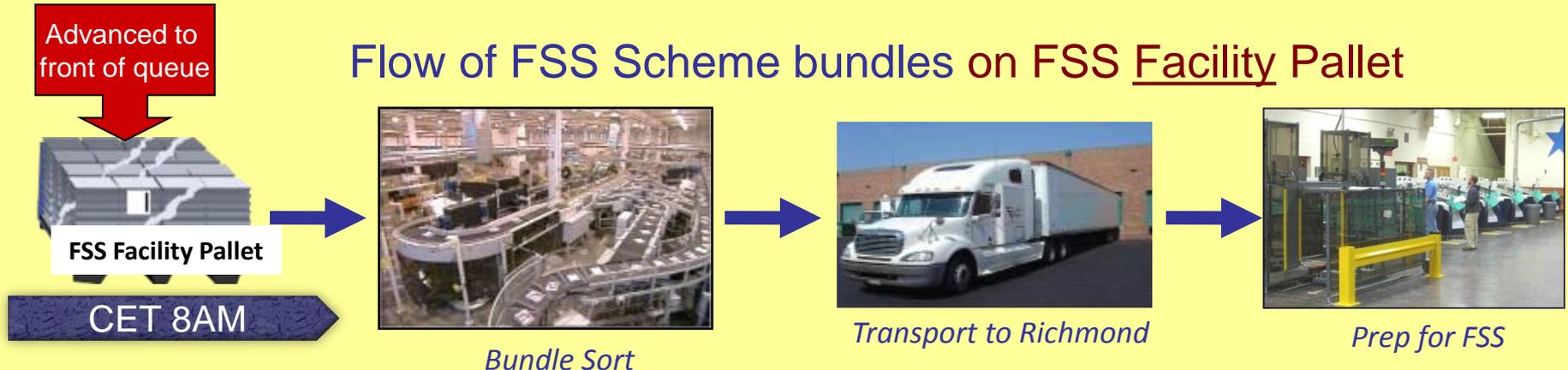
- **Encourage entry at FSS facility**
 - Established DFSS (FSS facility) entry rate structure
 - Approximately **50%** of FSS zones sequenced at a site are from another SCF
 - STD – piece discount \$0.001 for pieces on FSS Scheme Pallets entered at DFSS (except pieces paying 3-digit rate which still get DSCF rates)
 - No pallet charge for Periodicals scheme pallets at DFSS (DSCF rate applies)
 - Only the pallet charge is waived, not all containers (trays and sacks must pay container charge)
- Allow Periodicals, Standard Mail, and BPM bundles on same pallets (at Standard Mail service standards)
 - Planned for a future release, but not available in January

FSS Operational Improvements

Value of FSS Scheme Bundles



Flow of FSS Scheme bundles on FSS Facility Pallet



- **Flats dropped at SCF Norfolk by mailer**

- Mixed FSS zones on pallet - requires bundle sort prior to transport to Richmond – *advanced to front of the line*
- Each FSS zone is only processed once per day, operation begins as early as noon
- Periodicals likely to make operating window - especially for later runs on FSS

FSS Scheme Bundles on FSS Scheme Pallet dropped at Norfolk SCF

CET 11AM



Pallet contains bundles for
VA Beach run on FSS

*Bundle sort
eliminated*

*Bundle damage
eliminated*



*Cross-dock & transport
to Richmond*



Prep for FSS

Periodicals will be sequenced and make service standard

FSS Scheme Bundles on FSS Scheme Pallet dropped at Richmond FSS

CET 11AM



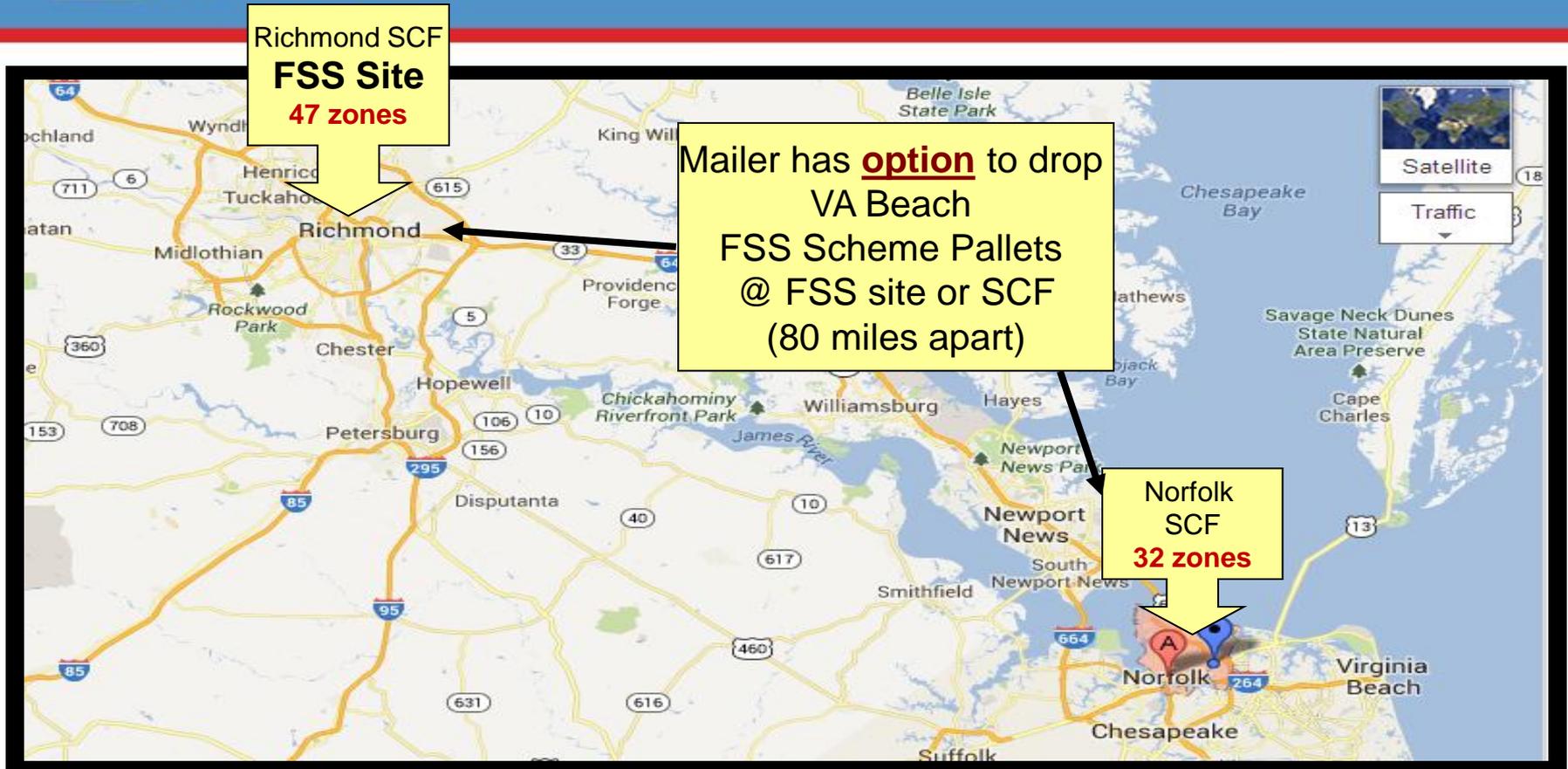
Pallet contains bundles for
VA Beach run on FSS

*Bundle sort eliminated
Reduced handlings = less damage*

*USPS transportation from Norfolk
to Richmond FSS site eliminated*



Prep for FSS



FSS Scheme Pallet dropped at SCF Norfolk by mailer – CET 11:00 AM

- FSS zones for one scheme only - requires transport to Richmond
- Each FSS zone is only processed once per day, operation begins as early as noon
- Periodicals must make the operating window & service standard

Flats dropped at SCF Norfolk by mailer – CET 8:00 AM

- FSS zones & non-FSS zones mixed on SCF pallet - requires bundle sort prior to transport to Richmond
- **FSS Facility Pallets (especially PER) advanced in queue** to ensure availability for sequencing
- Each FSS zone is only processed once per day, operation begins as early as noon
- Periodicals must make the operating window / service standard

- ✓ L006 Label List must show more schemes to maximize mailer prepared scheme bundles and pallets – January 2014 list will be maximized (field updating – due November 14)
- ✓ Restriction on mailer Pallet Stack limit of 4 increased to 6 on October 31, 2013

- Cathy Moon – Manager, Operations Integration and Support
- Steve Monteith – Manager, Pricing
- Garrett Hoyt – Manager, Mail Entry
- Shariq Mirza – Mail Entry and Payment Technology Support
- Bill Chatfield, Classification Specialist
- Audrey Meloni, Classification Specialist

