

USPS LEADERSHIP FORUM FOR STAKEHOLDERS

OPERATIONS UPDATE

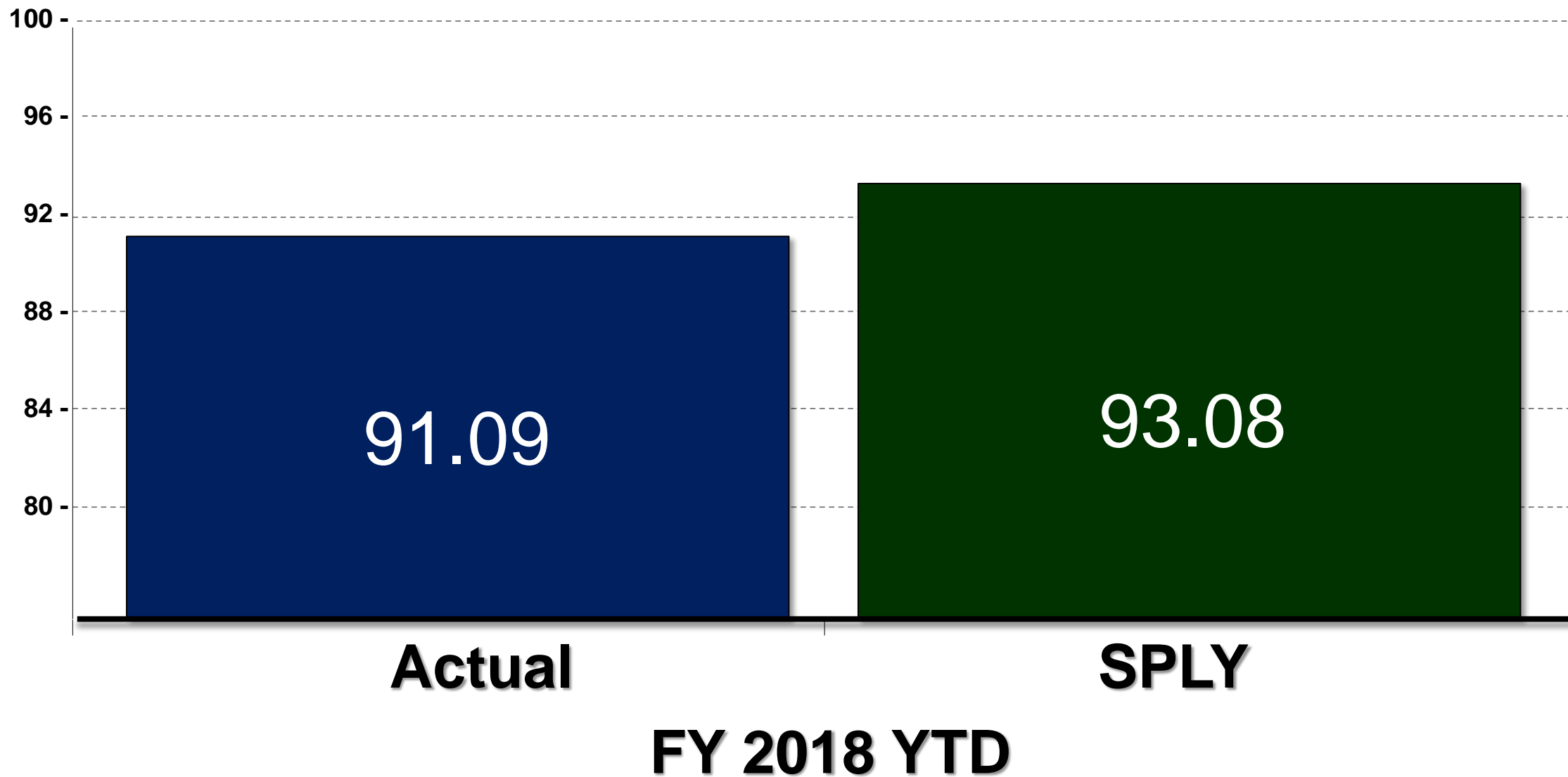
David E. Williams

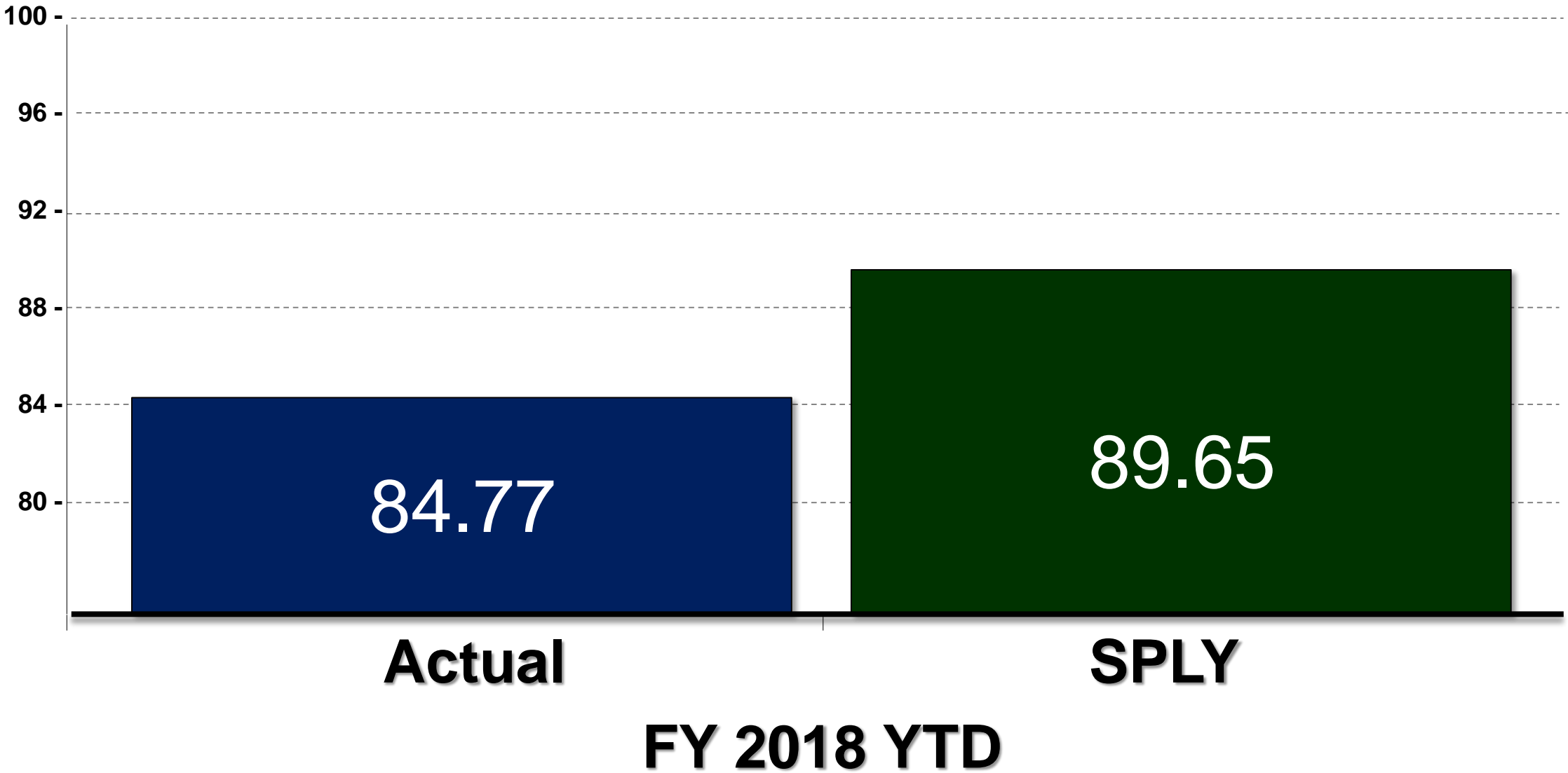
Chief Operating Officer and Executive Vice President

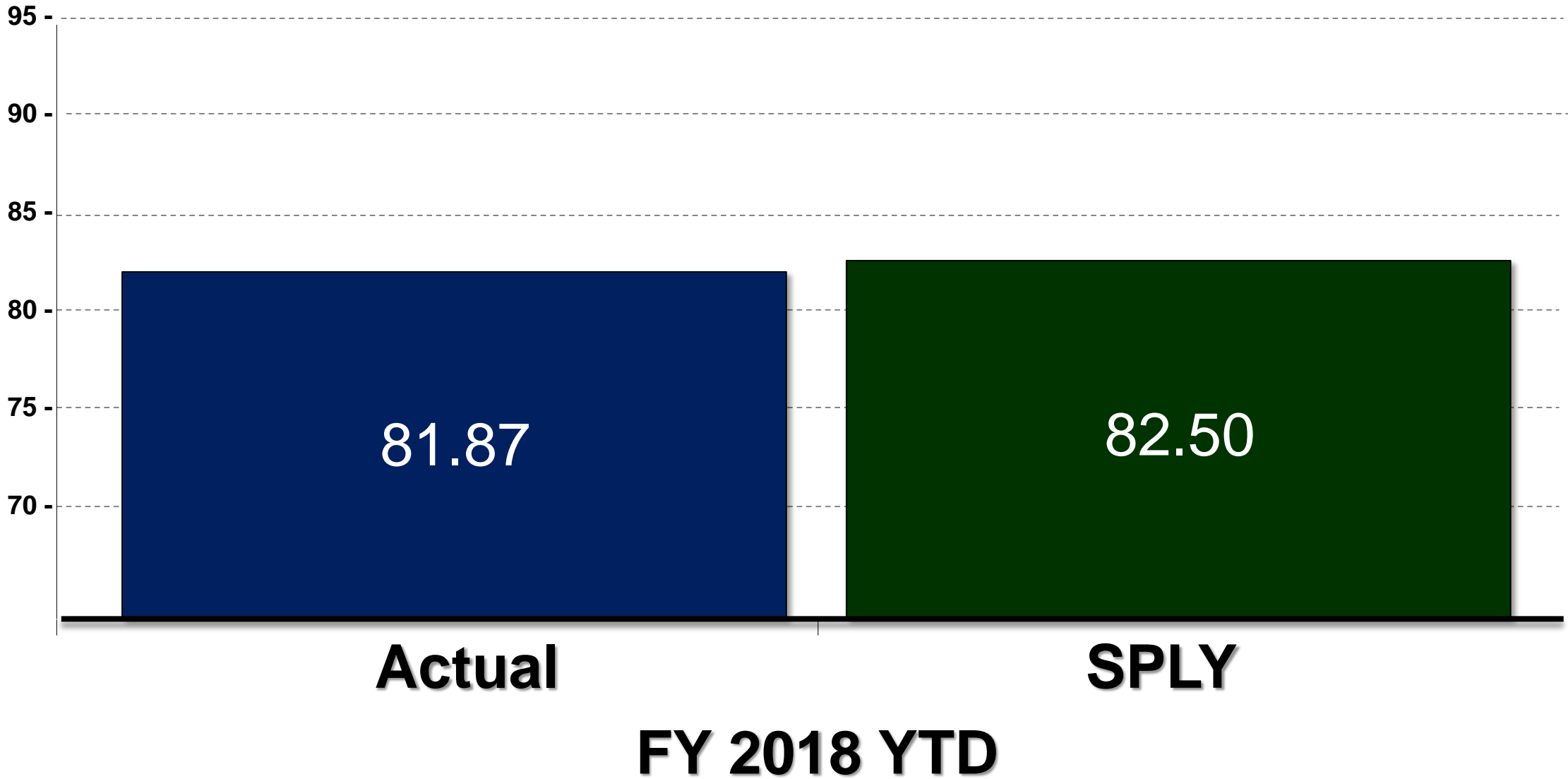
AGENDA

- Service Performance
- Automated Delivery Unit Sorters
- Portland Facility Activation
- Dynamic Route Optimization (DRO)
- Newspaper / Periodical Service Improvement
- MTE Update

Service Performance







- **ADUS sorts packages to carrier routes**
- **Throughput – 2500 packages/hr**
- **5 machines currently in service**
- **Up to 30 machines planned this year**

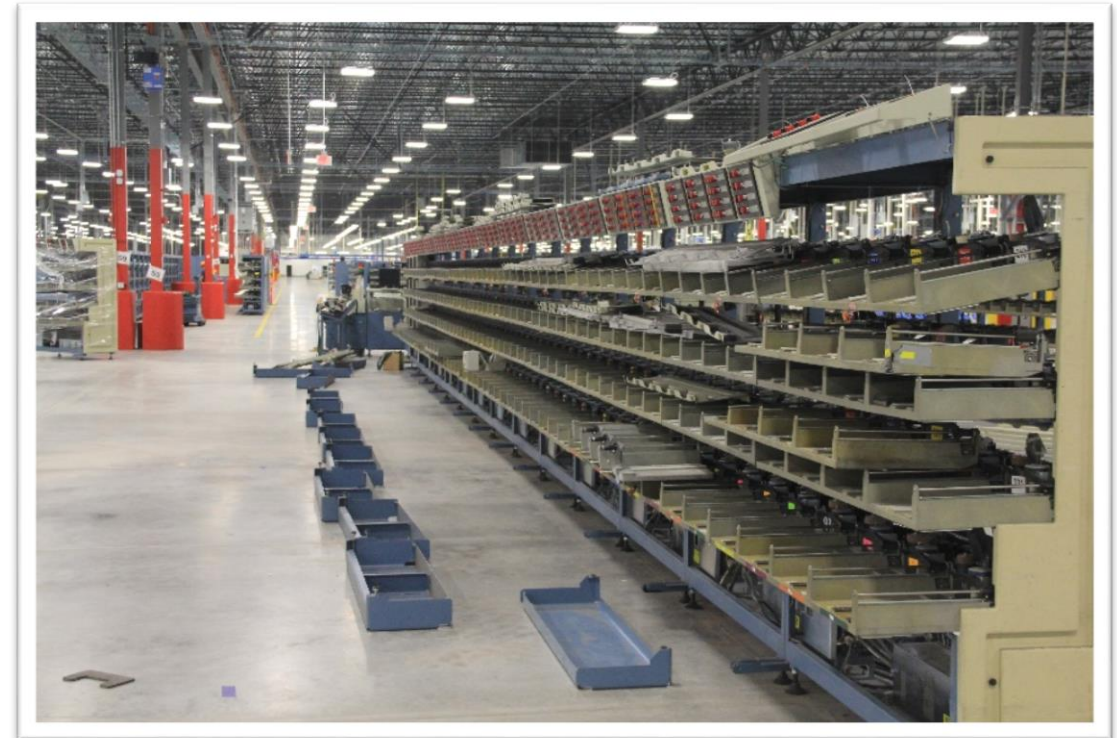


- Plant Size

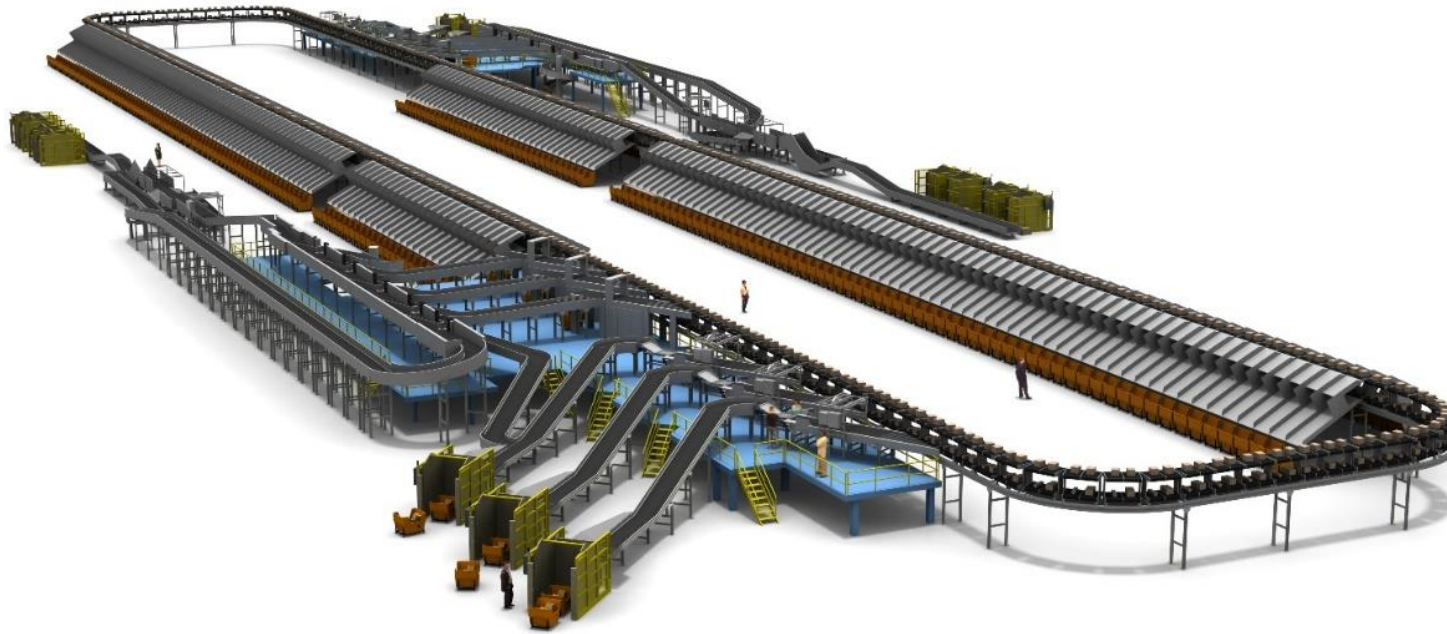
789,000 square foot

Current Status

- Construction 97% Complete
- Operations → Portland P&DC
+ Mt Hood(est.) Mid-June

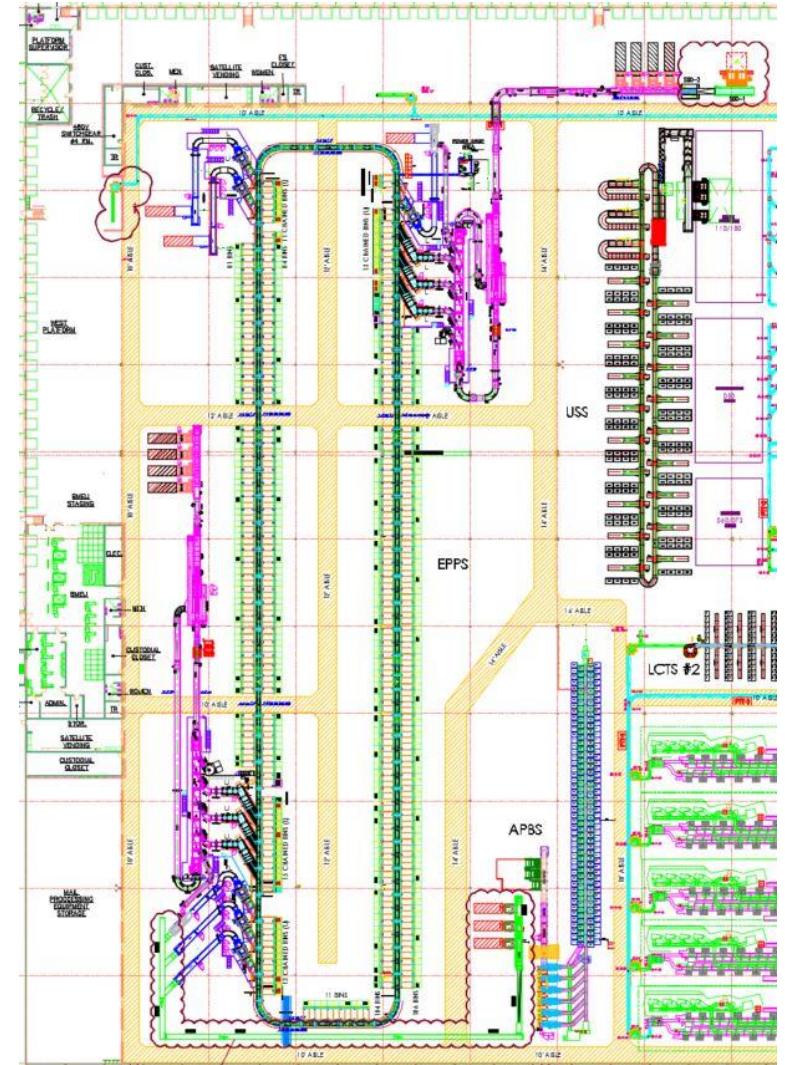


Standard Layout



- Similar to APPS, however with some different components and much larger
- 25,000 packages per hour (PPH) to 442 outputs

Portland Layout



Goal: DRO Targets Local HCR Routes For Optimization**Current**

- Routes manually created
- Same frequency
- Excess capacity is created

Future

- Transportation Optimization System will be used to optimize routes
- Routes will be created dynamically based on volume
- Timing of routes based on processing and delivery operating plan
- Maximizes truck capacity



Volume

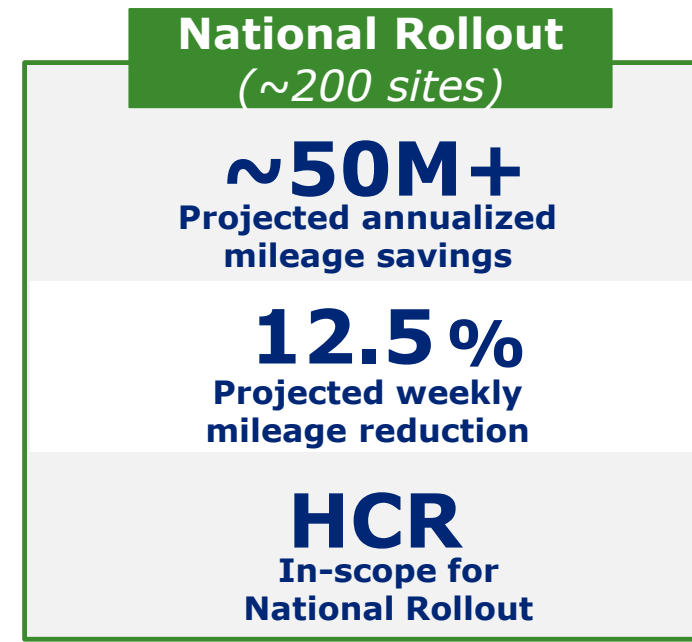
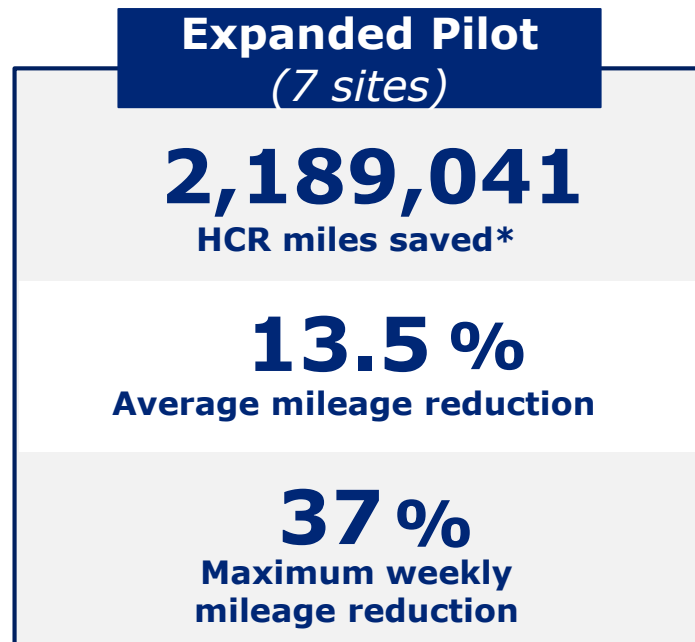
TMS

Processing

Transportation

Delivery

DRO is currently implemented at eleven HCR sites across the U.S., resulting in reduced HCR mileage across all eleven pilot sites. The goal is to have all sites under DRO by end of CY 2019.



*The above figure represents the DRO mileage savings through Q2, 1/31/2018.

Conducted Periodicals training with all Areas/Districts

Received facility certification of improvement activities:

- Provide Periodicals training and standard work instructions to employees
- Post signage identifying OMX/MXD processing sites and verify mail is flowing to the correct facility per L201/L009
- Ensure sort programs align with L201
- Validate Periodicals are using only surface transportation, either FCM surface network (OMX/L201) or long-haul NDC surface network
- Verify L201 contains only surface destinations and request changes as needed

Developed OMX/MXD audit to ensure continued compliance

MTE Update

USPS has spent \$37M in New Buys so far in FY 2018

- Plastic Pallets, Plastic Trays, Plastic Flat Tubs, Sacks and Sleeves
- Quarter 2 purchases include MM Trays and Half-Sleeves
- Quarter 3 purchases include Flat Tubs

MTE Inventory Available today

- 3.96 Million EMM Trays & Sleeves
- 3.67 Million MM Trays & Sleeves
- 1.51 Million Half-Trays & Sleeves
- 1.62 Million Pallets
- 1.40 Million Flat Tubs
- 3.32 Million Sacks



USPS – INDUSTRY COLLABORATION

OPPORTUNITIES:

NPF 2018 – San Antonio, TX May 6-9

<http://www.npf.org>

MTAC – Meet Quarterly

<https://postalpro.usps.gov/>

Areas Inspiring Mail Focus Groups –
Calendar by Area

<http://postalpro.usps.com/industry-forum/area-mailing-industry-focus-group/calendar>



GROWING TOGETHER



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Thank You

