MTAC Mail Prep & Entry Focus Group Sessions

October 3, 2018

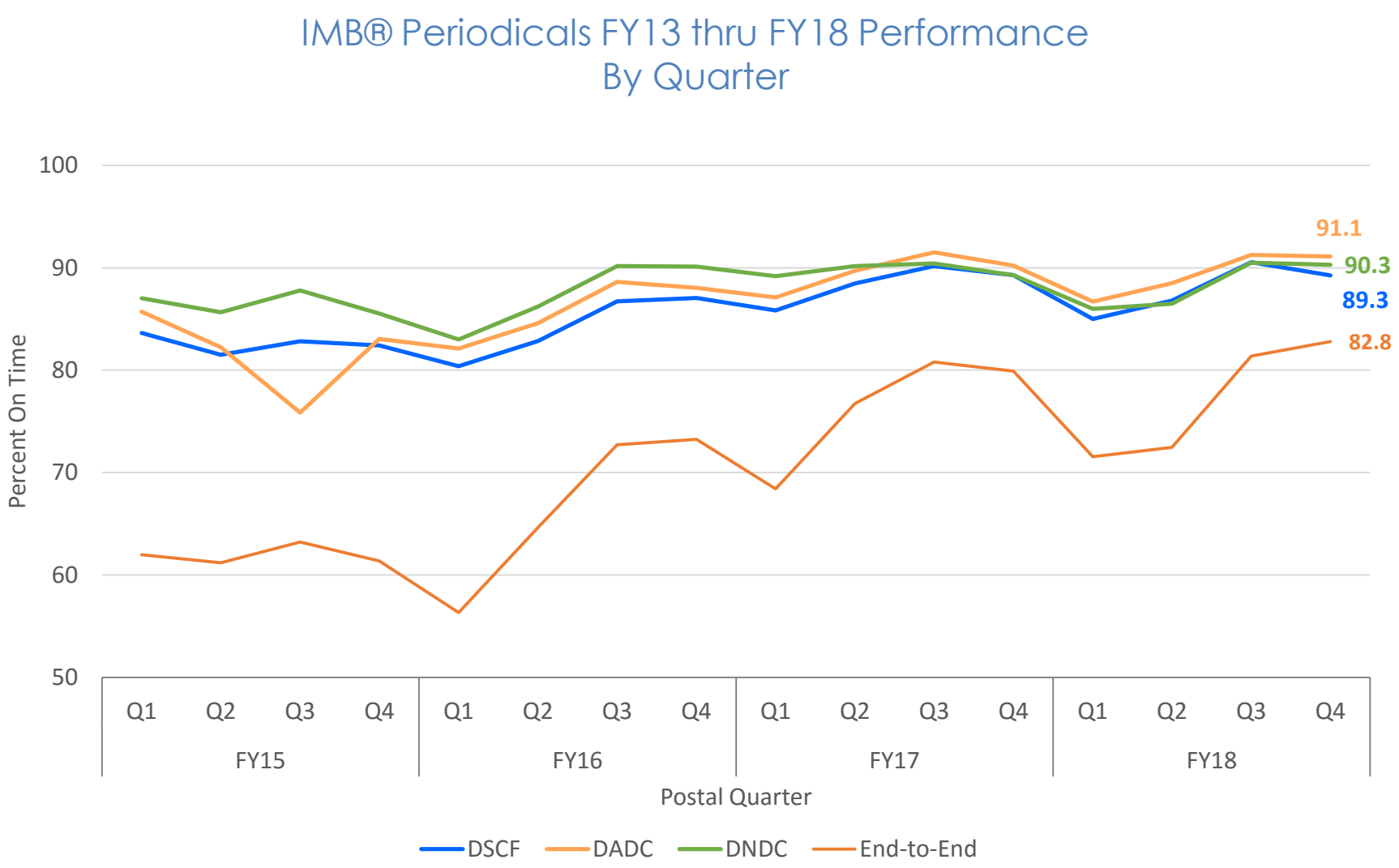
MTAC Mail Prep & Entry
Periodicals Session

Agenda

- **Periodicals Session**
  - Service Performance Update
  - FAST / Drop Shipments
  - Peak Season Readiness
  - Smart Safety
  - Open Discussion

Service Performance Update

IMB® Periodicals
Performance by Quarter



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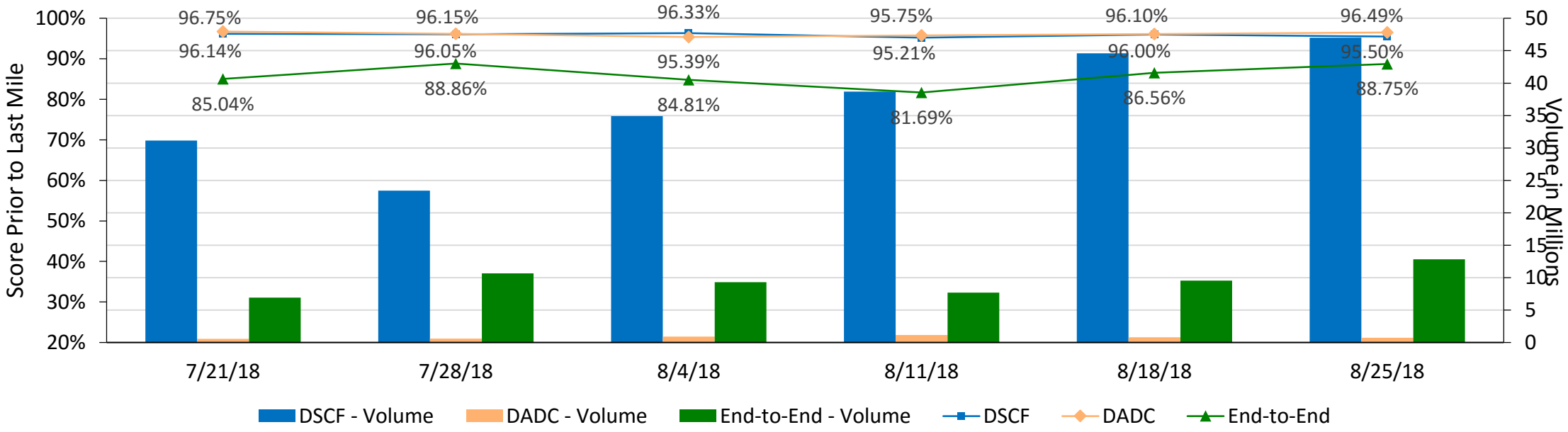
Periodicals
Score Trend



Q4TD thru 8/31/18	Total Pieces Measured	Processing On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change
SCF Flats	322,657,204	95.90%	-5.59%	90.31%	91.80%	373,259,730	-13.56%	90.21%	0.10%
ADC Flats	6,901,069	95.99%	-4.88%	91.11%	91.80%	8,348,182	-17.33%	90.89%	0.22%
E2E Flats	80,767,460	85.97%	-3.17%	82.80%	91.80%	80,221,817	0.68%	81.31%	1.49%
2-Day	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3-Day	26,132,938	92.93%	-3.06%	89.87%	91.80%	25,505,785	2.46%	89.05%	0.82%
4-Day	35,822,701	83.96%	-3.29%	80.67%	91.80%	35,831,589	-0.02%	79.39%	1.28%
5-Day	827,041	84.40%	-3.34%	81.06%	91.80%	789,112	4.81%	75.19%	5.86%
6+ Day	17,984,780	79.92%	-3.07%	76.85%	91.80%	18,095,331	-0.61%	74.47%	2.38%
Total	**410,325,733**			**88.58%**	**91.80%**	**461,829,729**	**-11.15%**	**88.06%**	**0.52%**

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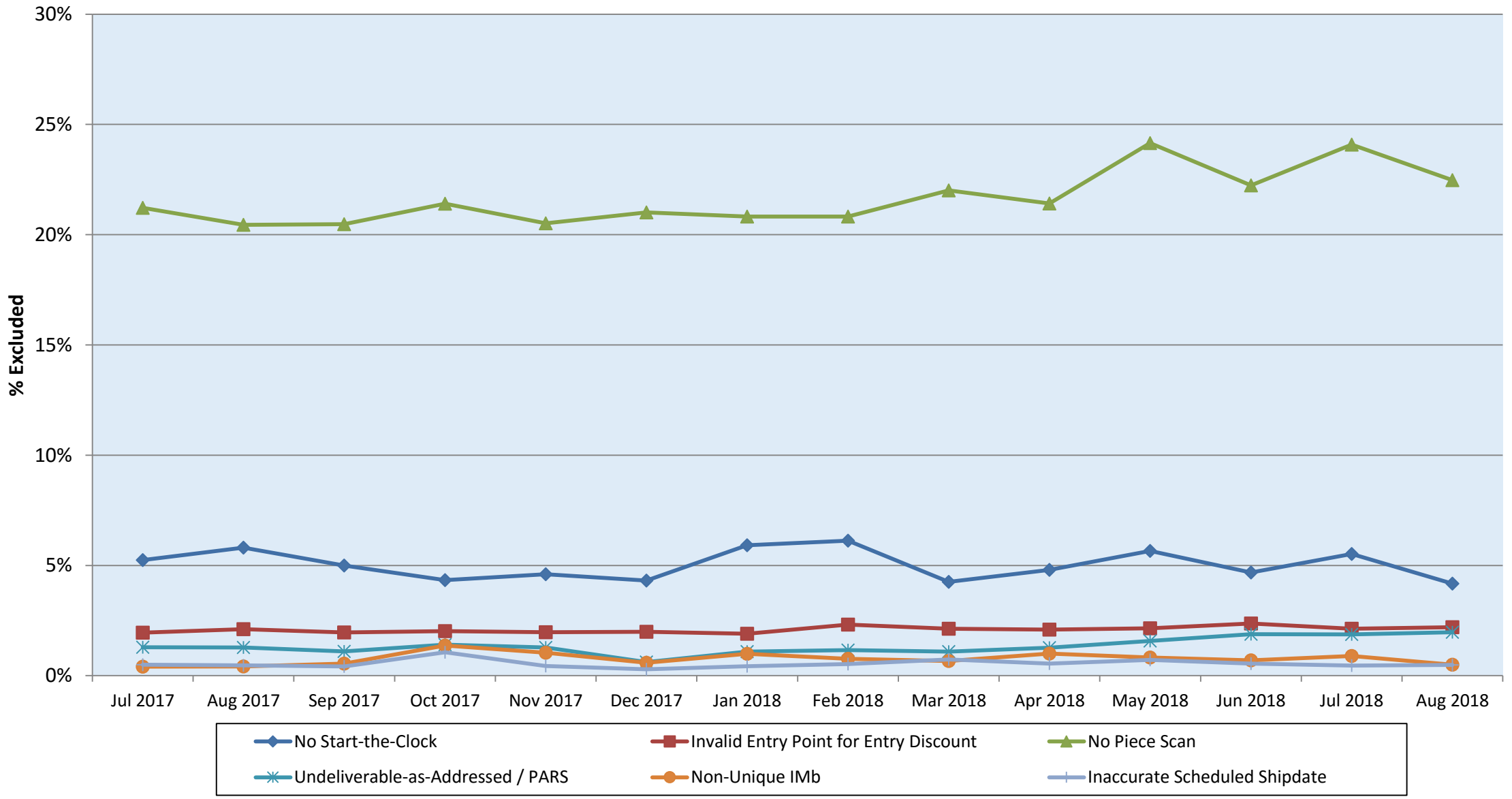
In FY18 Q4TD, about 77% of Full-Service mail was in Measurement

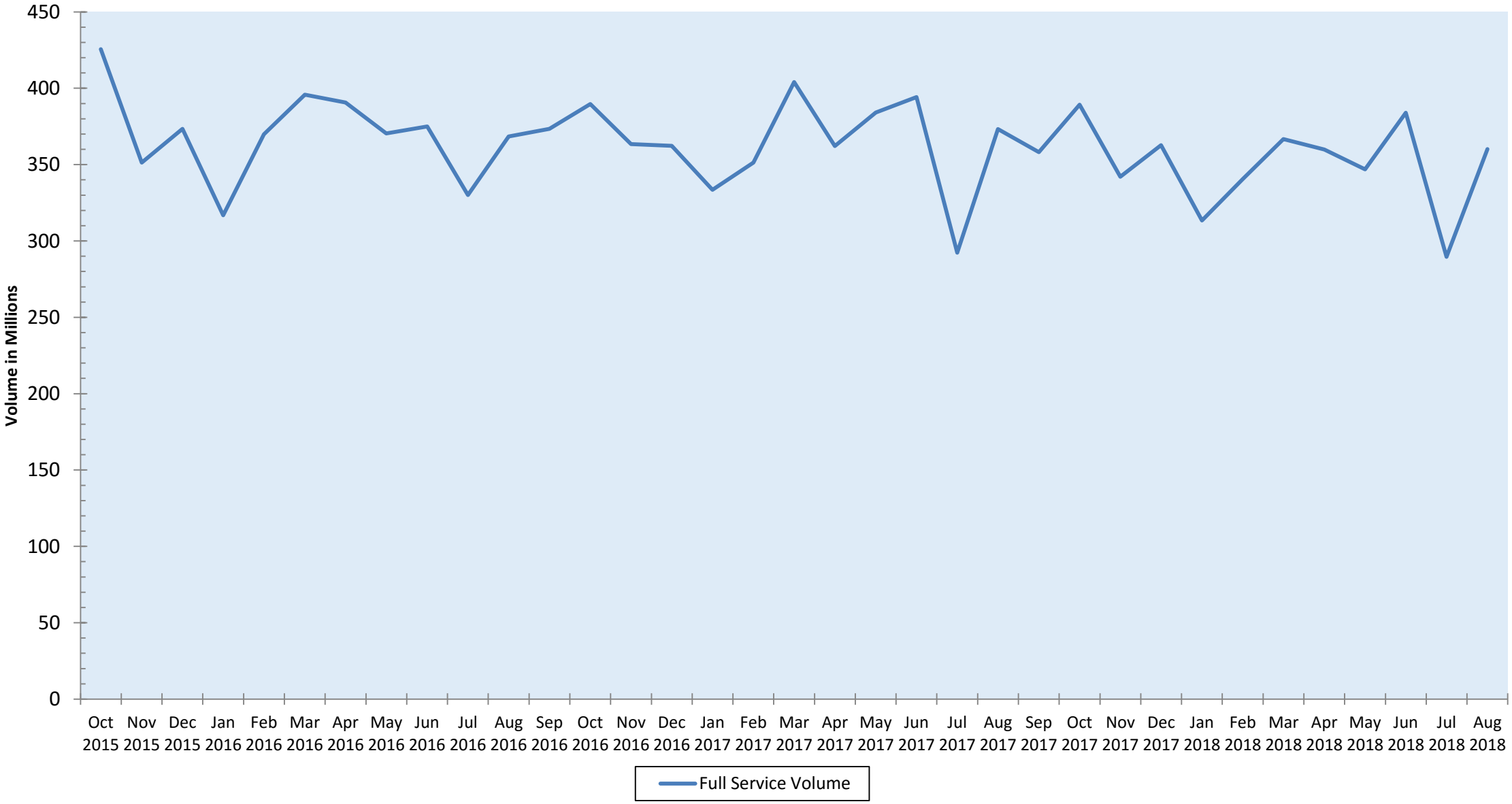
Mail Class	Mail Shape	Commercial	Full-Service Eligible	Full-Service	In Measurement	% of Full-Service In Measurement
First Class Presort	Letter/Card	6,172,215,173	5,938,726,538	5,734,790,136	4,021,683,951	70.13%
First Class Presort	Flat	92,253,703	83,421,406	71,798,726	47,580,728	66.27%
USPS Marketing	Letter	8,895,781,249	8,728,551,853	8,273,933,855	6,862,869,541	82.95%
USPS Marketing	Flat	3,134,174,768	2,181,610,159	1,850,320,708	1,391,205,657	75.19%
Periodicals	Flat	720,912,580	695,933,406	649,803,386	431,385,395	66.39%
Total		**19,015,337,473**	**17,628,243,362**	**16,580,646,811**	**12,754,725,272**	**76.93%**

Metrics are for Mailing Dates 07/01/2018 – 08/31/2018
Commercial and Full-Service Eligible Volumes sourced from PostalOne!

Periodicals Flats
Exclusion Reason Trends



Periodicals Flats
Full Service Volume



FAST / Drop Shipments

Internal Drop Ship Dashboard

Avg Last 6 wks:
On Time Arrivals = 27.3%
Avg Cycle Time = 31.7 mins

SV Drop Shipment Dashboard

Reset Saved URL | Reset All | **Last Refreshed: 10/01 11:41**

The Drop Shipment Dashboard allows for key analysis on drop shipment appointment on-time arrival performances and cycle times by site and by mailer to help identify which mailers have the longest wait before being

On Time Arrival Score
26.6%

Average Cycle Time (Site Arrive to Close)
32.9 min
SPLW: 32.9 min

Actual/Expected Unloads
90.7%

Site Arrive to Dock Assign
7.3 min
SPLW: 7.2 min

Dock Assign to Unload Start
9.9 min
SPLW: 9.8 min

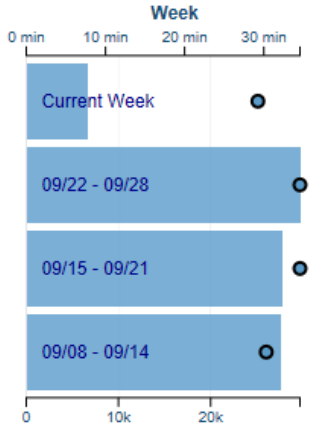
Unload Start to Unload End
16.4 min
SPLW: 16.3 min

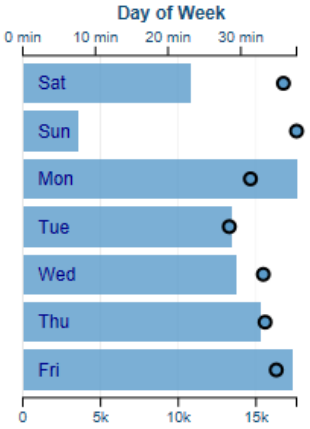
Unload End To Close
2.3 min
SPLW: 2.5 min

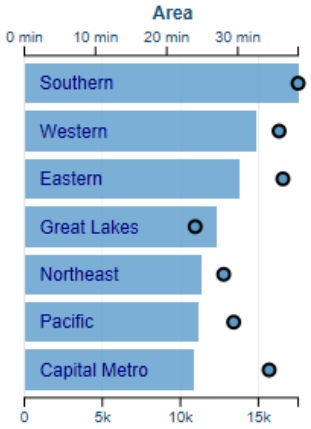
Site Mode | Shipper Mode

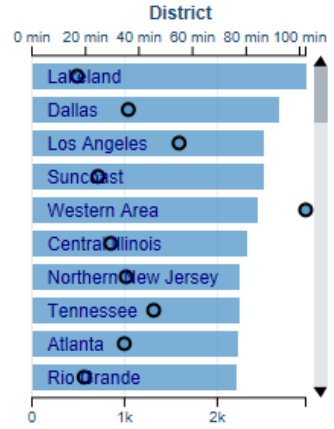
Search Site...

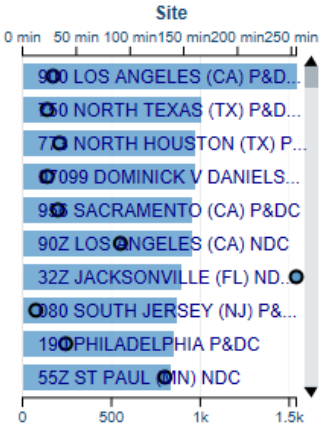
Detailed View











FAST Continuous Improvement

- Evaluating potential FAST IT improvements, including ability to provide mailer notification of declined recurring appointment instances
- Aligning service hub facility profiles with other Postal systems
- Reviewing constraints at facilities with multiple requests for volume/slot increases
- Expanding weekend drop ship hours at closed facilities, where possible

Facilities Now Open on Saturday/Sunday

Facility	New Drop Ship Hours
Westchester-105	Sun 0800-1000, 1200-1400
Orlando-328	Sun 0800-1500
Birmingham-350	Sun 0700-1200
Waite Park-563	Sun 0000-0600, 1400-2300
Bemidji-566	Sun 0400-1000, 1700-2300
Grand Forks-582	Sat 0800-1200; Sun 1400-1600
Bismarck-585	Sat 1100-1400
Champaign-618	Sun 0600-1500
Midland-797	Sun 1300-2300

UNITED STATES POSTAL SERVICE®

Peak Season Readiness

Processing Operations Peak Plan

- 15 Automated Package Bundle Sorters (APBS) expanded - 752 additional separations
- 6 Automated Package Processing Systems (APPS) expanded - 426 additional separations
- 22 Automatic NDC Parcel Sorter Machine (PSM) Return to Keyer upgrades
- 2 APBS Feed Systems
- 15 ADUS
- 1 EPPS
- 2 Universal Sorters (USS)
- 4 NDC Flats Culling Systems
- 22 Automatic Tray Unsleevers

Processing Operations Peak Plan

- **Additional Space – 76 Peak Annexes Operations**
- **Additional Staffing Peak Seasonal Employees**
- **Automated Guided Vehicles**
  - Pennwood Plc PA
  - Queens NY
  - Richmond VA
  - Portland OR
- **Additional Capacity – Additional Package Sorter and Sorter expansion to add 1,946 additional output bins**

Automated **G**uided **V**ehicles

Enhanced **P**ackage **P**rocessing **S**ystem

Universal **S**orting **S**ystem

2018 Holiday Season Dates

- **Busiest Week for shipping: Week of December 17th**

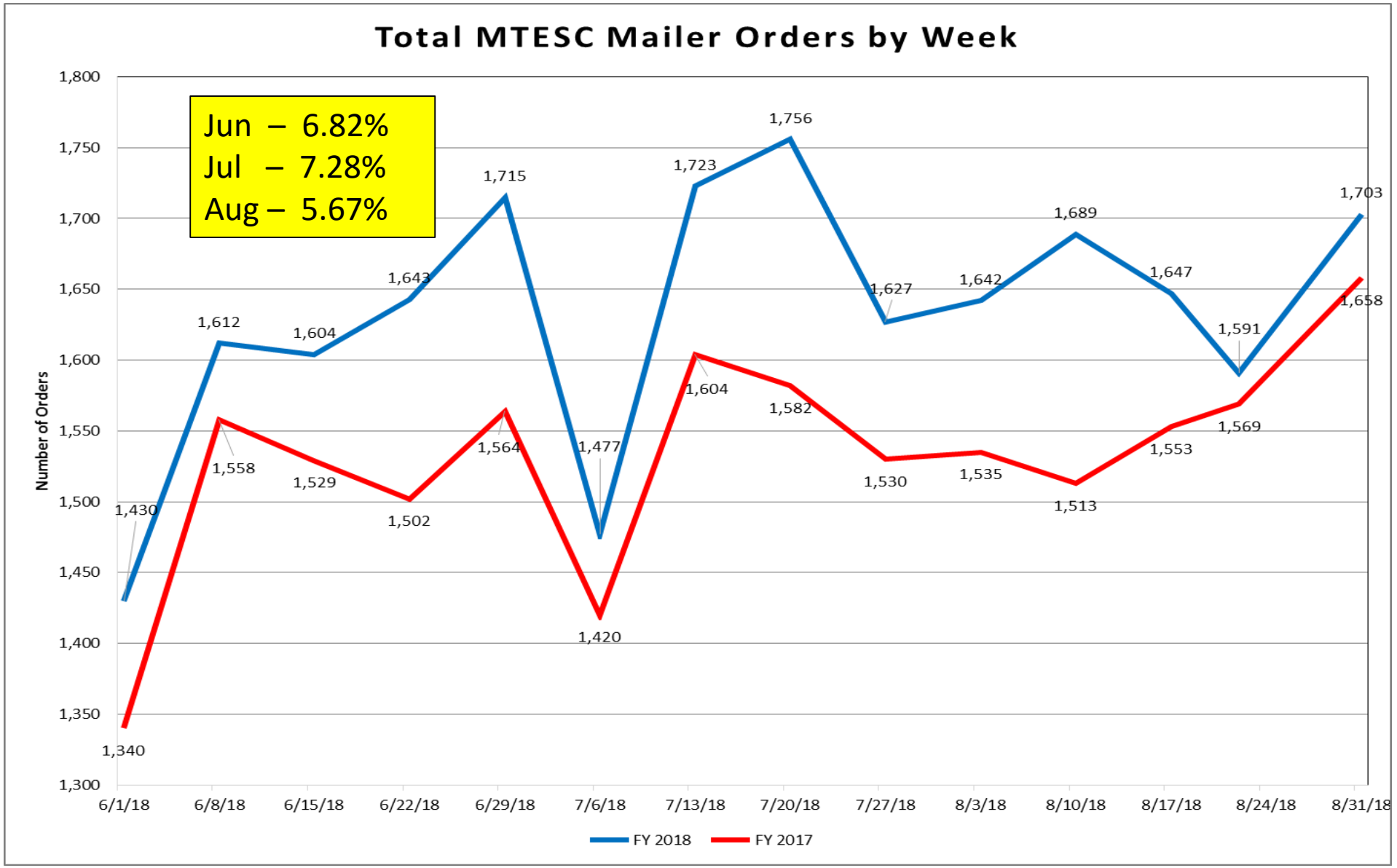
Domestic Mail Class/Product	Cut Off Date
First Class Mail	Dec-20
Priority Mail	Dec-20
Priority Mail Express*	Dec-22
USPS Retail Ground	Dec-14
DNDC Drop Ship	Dec-18
DDU Drop Ship	Dec-21
International Mail**	**
Priority Mail Express Military APO/FPO/DPO**	**

*Priority Mail Express postage refund eligibility is adjusted for shipments mailed Dec 22-25

** See additional information below

Military Mail Addressed To/From	Priority Mail Express Military™ Service (PMEMS) 1/	First-Class Mail® Letters and Cards	Priority Mail®	Parcel Airlift Mail (PAL) 2/	Space Available Mail (SAM) 3/	USPS Retail Ground™
APO/FPO/DPO AE ZIPs 090-092	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIP 093	N/A	Dec-4	Dec-4	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIPs 094-098	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AA ZIP 340	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AP ZIPs 962-966	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6

Weekly Mailer Orders at MTESCs



MTE Inventory Status

10/01/2018	Current MTESC Inventory on hand	1-Week Safety Inventory	Pieces Above / Below Safety	Percent Above / Below Safety	Weekly Demand Var to SPLY	% Var Inventory to SPLY
PALLETS	1,379,835	503,236	876,599	174%	3%	-20%
EMM TRAY	3,575,232	1,570,983	2,004,249	128%	5%	-31%
1/2 TRAY	1,209,310	1,244,644	(35,334)	-3%	-1%	-37%
MM TRAYS	5,058,900	2,389,025	2,669,875	112%	-1%	5%
MM SLEEVE	2,901,762	3,588,062	(686,300)	-19%	6%	-7%
EMM SLEEVE	2,595,000	2,214,024	380,976	17%	-4%	-62%
1/2 SLEEVE	1,394,523	1,637,231	(242,708)	-15%	1%	-48%
FLAT TRAY (Cardboard & Plastic)	1,090,600	584,343	506,258	87%	1%	-53%
FLAT TRAY LIDS	1,042,560	330,491	712,069	215%	-30%	5%
#1 SACK	2,999,000	1,765,712	1,233,288	70%	-29%	129%

Source: MTESS

Commitment

- Sufficient capacity in our networks
- Peak days/weeks identified and resource plans in place
- Comprehensive contingency planning (weather impacts)
- Timely dispatches from our processing facilities
- Industry partnership/communication

UNITED STATES POSTAL SERVICE®

Smart Safety

Recent Fatality

- **Smart Safety Saves Lives**
  - Culpepper, Virginia 22701
  - USPS employee fatality
  - Accident occurred in the morning at the loading dock
  - Contractor driving an 11 Ton struck employee walking from car to employee entrance
  - Probable cause of accident: Inattention

QUESTIONS

MTAC Mail Prep & Entry Packages Session

Agenda

- **Packages Session**
  - Dynamic Routing Video
  - Delivery & Customer Service Operations
  - FAST Update
  - Peak Season Readiness
  - Smart Safety
  - Open Discussion

Delivery & Customer Service Operations

Package Delivery Updates

Peak Preparation

- 8,000 Additional Vehicles Deployed
- 35 Additional Annex Sites Approved
- Additional Supplemental Workforce Hires
  - Delivery = 6,398
  - Clerk = 11,740
  - Casuals = 27,489

MDD Menu Redesign

- Launch Date Last Week of October 2018
- Improved on Street Options

Improving Sunday Operations

- Load Leveling

Improve 1st Delivery Success

- Reduce Failed First Attempts

Recent Activities

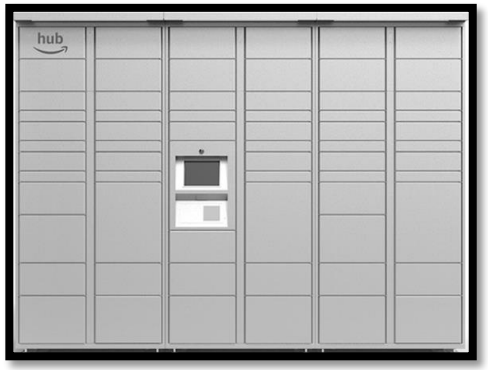
- Parcel Locker Tool identifies opportunity based on Failed Delivery Scans

- Parcel Lockers installed in FY18 QT3
  - Approximately 1.3M additional packages per year – FDS
- Parcel Lockers installed in FY18 QT4
  - Approximately 1.9 M additional packages per year - FDS

- Parcel Locker installation to continue into December 2018
  - Estimated 2.2M additional packages FDS – FY19

First Delivery Success (FDS)

Third Party Lockers



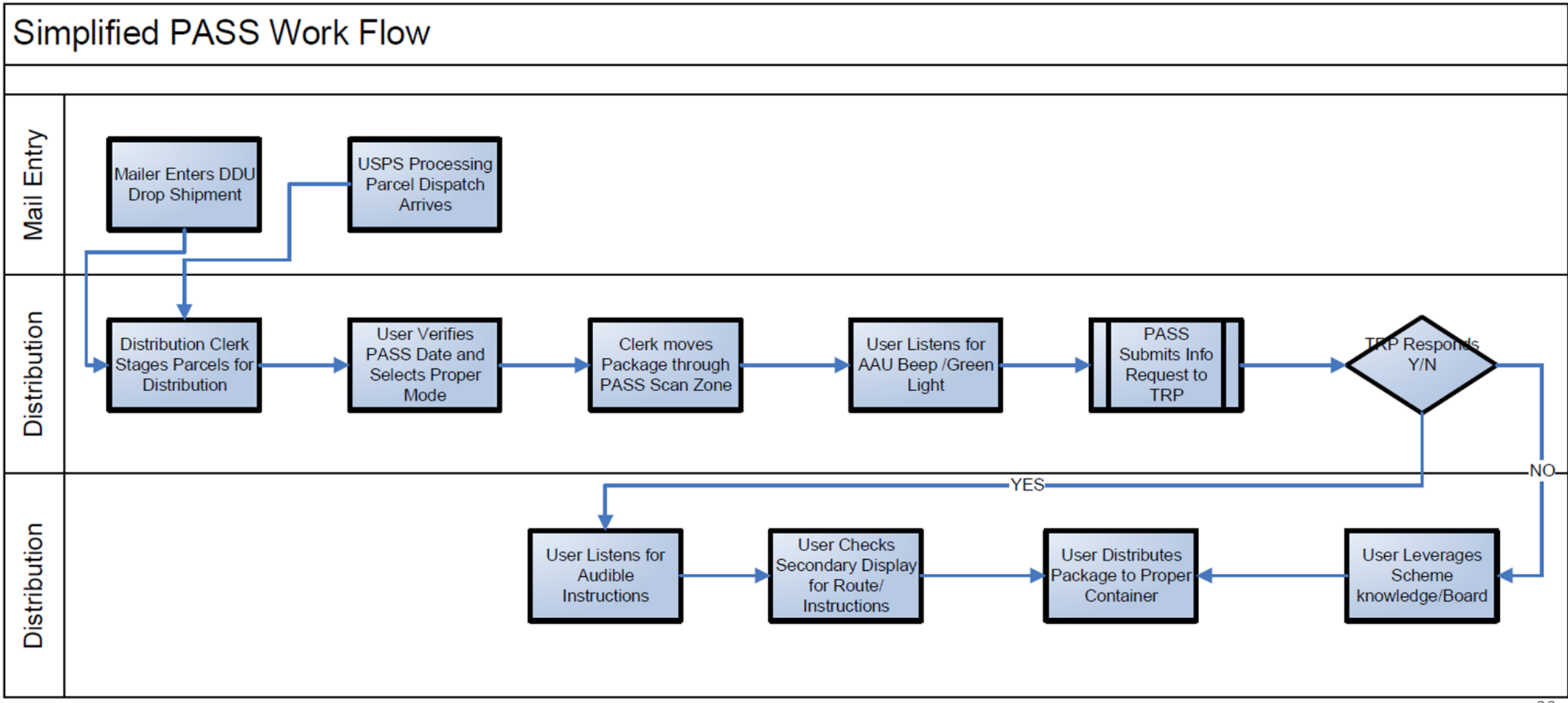
Smart Locks

USPS Lockers

Third Party Locker Rooms

Unattended Home Delivery

PASS Flows


Simplified PASS Work Flow
Mail Entry
Distribution
Distribution
Mailer Enters DDU Drop Shipment
USPS Processing Parcel Dispatch Arrives
Distribution Clerk Stages Parcels for Distribution
User Verifies PASS Date and Selects Proper Mode
Clerk moves Package through PASS Scan Zone
User Listens for AAU Beep /Green Light
PASS Submits Info Request to TRP
TRP Responds Y/N
YES
NO
User Listens for Audible Instructions
User Checks Secondary Display for Route/ Instructions
User Distributes Package to Proper Container
User Leverages Scheme knowledge/Board

FAST / Drop Shipments

Internal Drop Ship Dashboard

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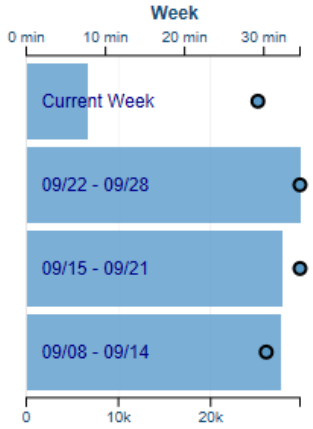

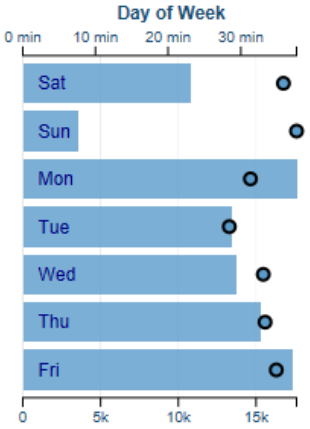

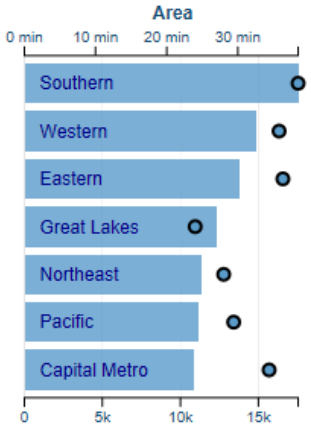

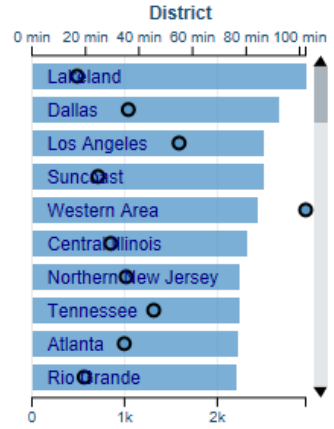

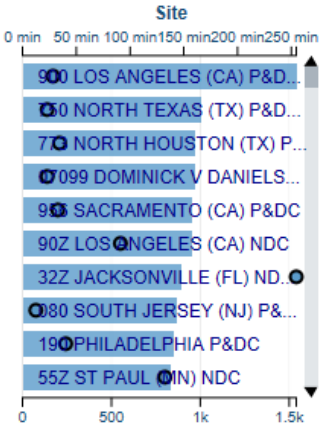

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APO/FPO/DPO AE ZIP 093	N/A	Dec-4	Dec-4	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIPs 094-098	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
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Pre-Peak Season PRS Readiness

Reporting

- Daily PRS Performance Push Reports
- Weekly Rollup National Reports

Bi-Weekly Telecoms(Ongoing):

- Performance reporting with all four PRS Partners
- Monitor internal performance

Targeting Top Opportunities (Started 8/17)

- Compliance Reviews
  - Conducting District Reviews for the low performing Areas
  - Identifying high volume RDUs with low scan performance
  - Customize strategies for unique situations
  - In person workshop ensure all Areas are prepared for the Peak Season volume

Pre-Peak Season PRS Readiness

Implementing strategies (Ongoing)

- Identified Major Barriers
  - Monitoring trends for improvements (internal and external)
  - Eliminating deficiencies in effort to achieve the 99% goal
    - Standardize solutions with Areas leadership and ensure district support

Workshop (6/18 – Ongoing**)**

- Training on:
  - New PRS Processes
  - New Visual Aides
  - New Technology
  - New Staging Areas Standardized Signage
  - Performance Reports
  - PRS Dashboards

Pre-Peak Season PRS Readiness

Reviewing Security of PRS Parcels (Ongoing**)**

- Conducting Security Reviews
  - Ensuring RDU security guidelines for PRS Parcels
  - Mandatory documents to participate in the PRS program
    - PS 3801 Standing Delivery Order
      - Ensuring accurate change of custody throughout partners process
    - Authorization Letters
      - Required to hold the PRS packages in the RDUs

Commitment

- Sufficient capacity in our networks
- Peak days/weeks identified and resource plans in place
- Comprehensive contingency planning (weather impacts)
- Timely dispatches from our processing facilities
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UNITED STATES POSTAL SERVICE®

Smart Safety

Recent Fatality

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QUESTIONS

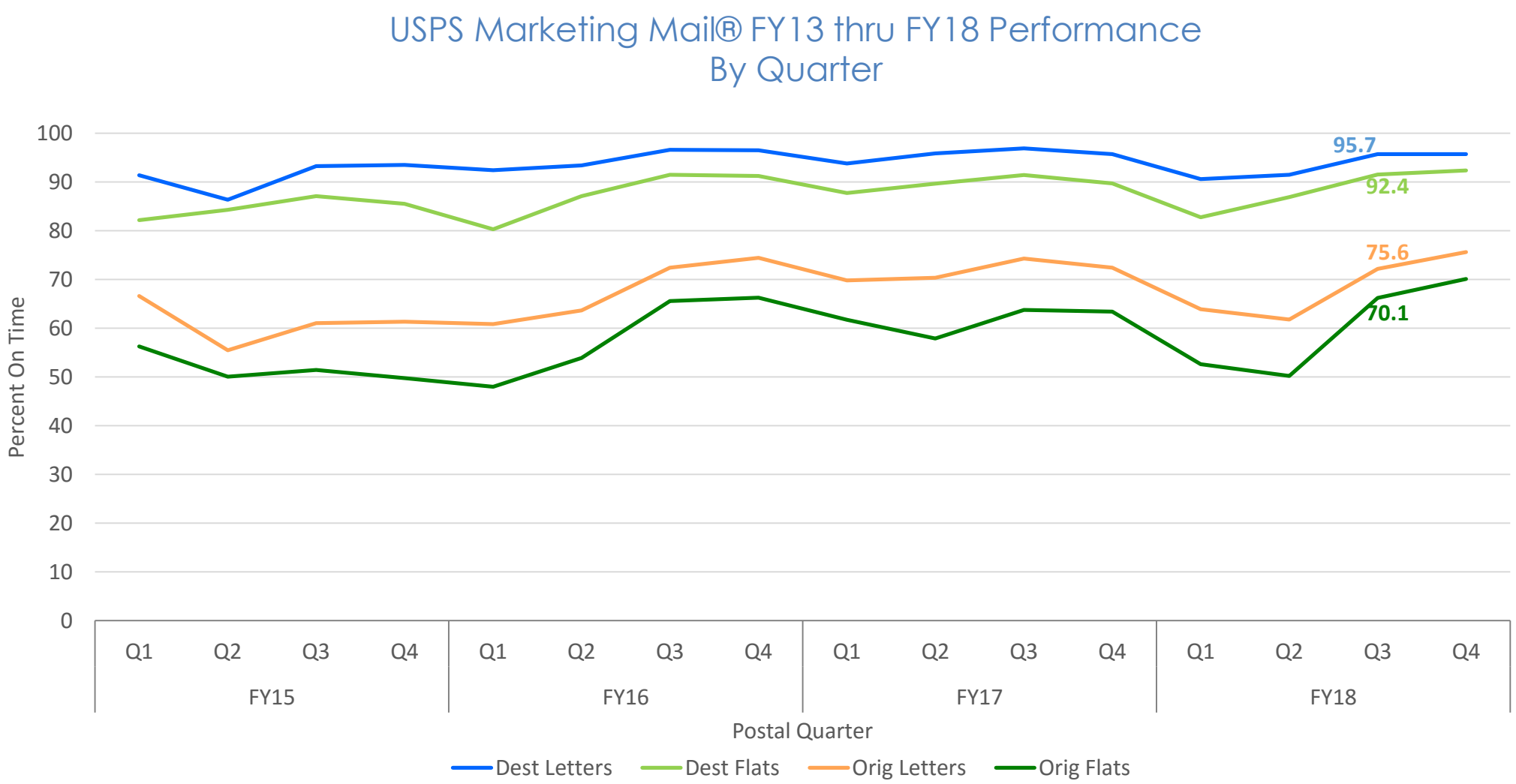
MTAC Mail Prep & Entry
USPS Marketing Mail Session

Agenda

- **USPS Marketing Mail Session**
  - Service Performance Update
  - National Mail Color Code
  - Mail Irregularity Update
  - FAST / Drop Shipments
  - Peak Season Readiness
  - Smart Safety
  - Open Discussion

Service Performance Update

USPS Marketing Mail®
Performance by Quarter



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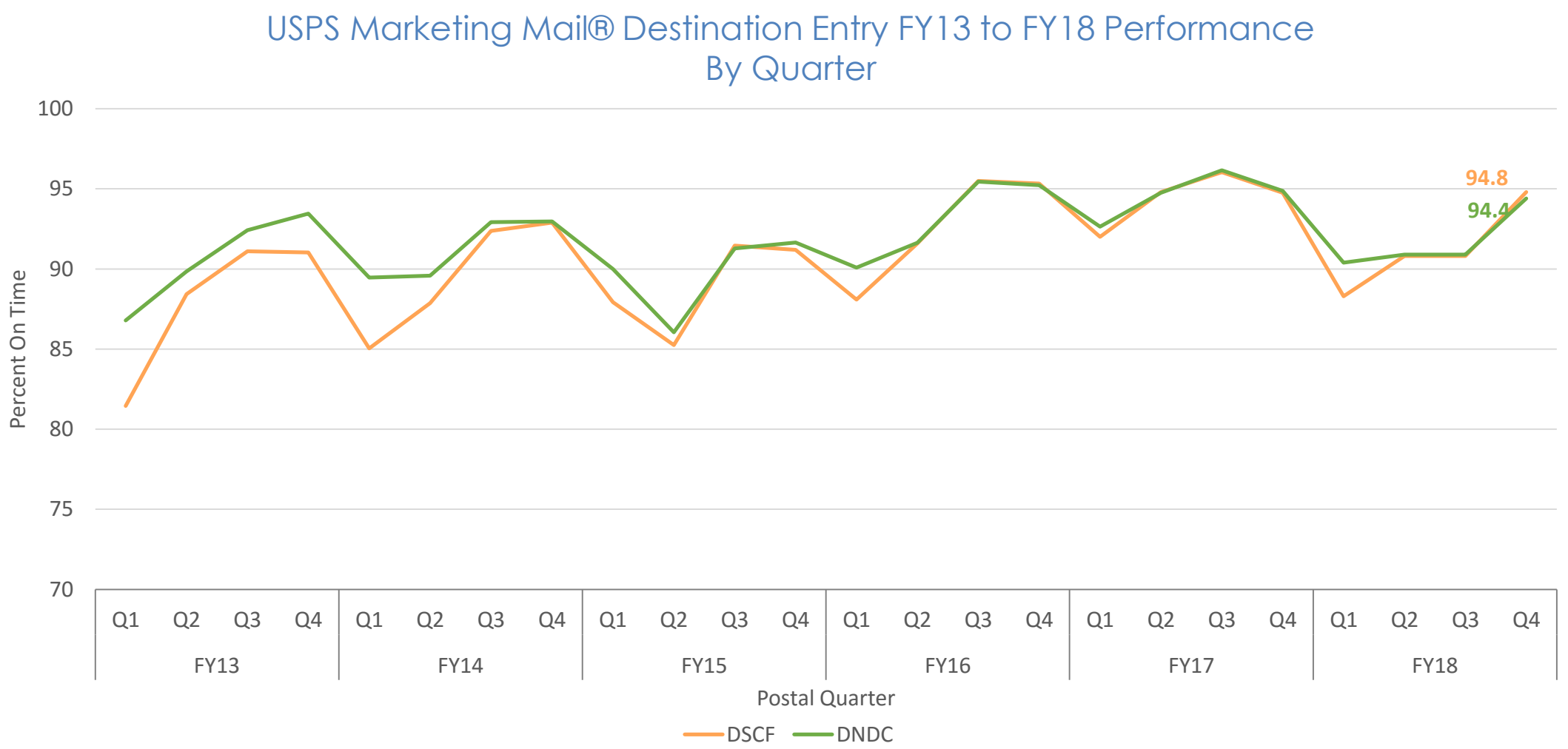
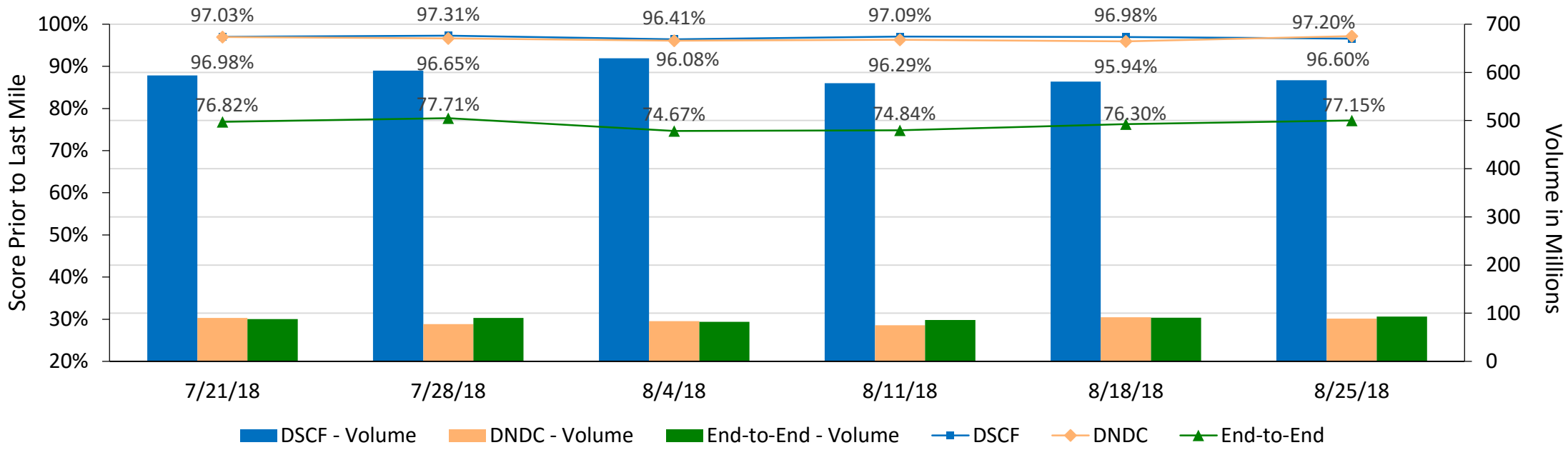
USPS Marketing Mail® (Destination Entry)
Performance by Quarter



Note: DDU-Entry = Two Day, DSCF = Three-To-Five-Day, DNDC = Five-Day-And-Above

Note: Preliminary FY18 Q4 results through August 31, 2018. Results starting FY17 Q1 are based on Days Left Group (DLG) approach, whereas all prior quarters' results are based on Last Processing Operation (LPO) approach. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

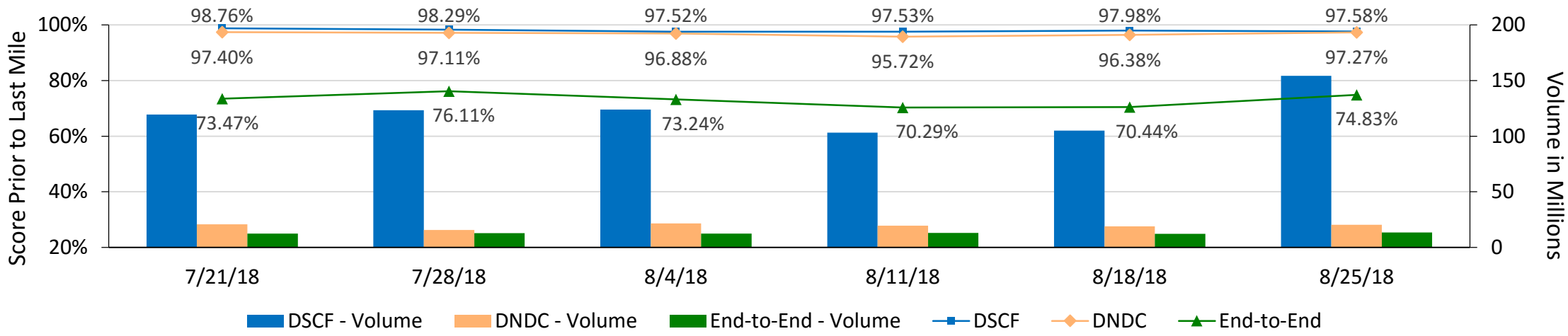
USPS Marketing Mail® (Letters)
Score Trend



Q4TD thru 8/31/18	Total Pieces Measured	Processing On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change
SCF Letters	5,169,652,095	97.04%	-1.30%	95.74%	91.80%	5,000,764,651	3.38%	96.34%	-0.60%
NDC Letters	728,496,581	96.60%	-0.89%	95.71%	91.80%	655,437,217	11.15%	96.55%	-0.84%
E2E Letters	748,778,166	76.53%	-0.88%	75.65%	91.80%	698,847,049	7.14%	75.54%	0.11%
3-Day	147,899,223	88.48%	-0.92%	87.55%	91.80%	150,440,827	-1.69%	88.83%	-1.27%
4-Day	5,336,143	91.46%	-0.73%	90.73%	91.80%	5,005,264	6.61%	89.69%	1.04%
5-Day	104,780,304	88.97%	-0.78%	88.19%	91.80%	95,629,297	9.57%	88.32%	-0.13%
6-10 Day	473,078,013	69.57%	-0.87%	68.70%	91.80%	431,380,128	9.67%	67.50%	1.20%
11+ Day	17,684,483	84.41%	-1.41%	83.00%	91.80%	16,391,533	7.89%	86.41%	-3.40%
Total	**6,646,926,842**			**93.12%**	**91.80%**	**6,355,048,917**	**4.59%**	**93.63%**	**-0.51%**

Note: Preliminary FY18 Q4 results through August 31, 2018. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

USPS Marketing Mail® (Flats)
Score Trend



Q4TD thru 8/31/18	Total Pieces Measured	Processing On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change
SCF Flats	993,195,466	98.01%	-3.36%	94.65%	91.80%	1,035,961,325	-4.13%	94.10%	0.55%
NDC Flats	169,797,162	96.80%	-2.59%	94.21%	91.80%	155,230,355	9.38%	94.22%	-0.01%
E2E Flats	109,485,862	73.02%	-2.90%	70.13%	91.80%	102,340,575	6.98%	68.23%	1.89%
3-Day	19,141,282	85.86%	-3.37%	82.49%	91.80%	15,368,161	24.55%	78.68%	3.81%
4-Day	715,464	88.08%	-2.09%	85.98%	91.80%	460,961	55.21%	82.61%	3.37%
5-Day	13,416,233	82.05%	-2.72%	79.33%	91.80%	12,441,436	7.84%	78.79%	0.54%
6-10 Day	73,178,293	67.16%	-2.63%	64.53%	91.80%	70,659,499	3.56%	63.19%	1.34%
11+ Day	3,034,590	90.11%	-7.39%	82.72%	91.80%	3,410,518	-11.02%	85.21%	-2.49%
Total	1,272,478,490	95.70%	-3.22%	92.48%	**91.80%**	1,293,532,255	-1.63%	92.07%	0.41%
FSS Zone*	266,091,167	94.08%	-2.84%	91.24%	91.80%	281,680,598	-5.53%	91.16%	0.09%
Non-FSS Zone*	1,006,387,323	95.75%	-3.30%	92.45%	91.80%	1,008,600,613	-0.22%	91.78%	0.67%

Note: Preliminary FY18 Q4 results through August 31, 2018. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

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Marketing Mail Color Codes

- Application of color codes based on
  - Arrival time and date- CET
  - Entry location- Origin Entry, Destination Entry, Turnaround
  - Day of arrival is defined as day “zero”
  - Based upon arrival date and time, not date and time of extraction
  - Types of color codes- Clearance, Processing, and Delivery

Delivery Color Codes- DNDC, DSCF

MARKETING MAIL COLOR CODE		
NDC	DESTINATING DNDC, AADC, ADC, SCF, 3-DIGIT, 5-DIGIT, CRT DELIVERY MATRIX	
DAY OF RECEIPT	COLOR CODE APPLIED	DELIVERY DAY
SAT	VIOLET	THU
SUN	YELLOW	FRI
MON	PINK	SAT
TUE	BLUE	MON
WED	BLUE	MON
THU	ORANGE	TUE
FRI	GREEN	WED

MARKETING MAIL COLOR CODE		
P&DC/P&DF/ASF MPC/MPF/CSPC CSPF/L&DC	DESTINATION ENTRY DSCF, 3-DIGIT, 5-DIGIT, CRT DELIVERY MATRIX	
DAY OF RECEIPT	COLOR CODE APPLIED	DELIVERY DAY
SAT	GREEN	WED
SUN	GREEN	WED
MON	VIOLET	THU
TUE	YELLOW	FRI
WED	PINK	SAT
THU	BLUE	MON
FRI	ORANGE	TUE

Mail Irregularity Update

Mail Irregularity Update

USPS developed SVmobile data entry for mail irregularities; with listed below recent and upcoming key activities

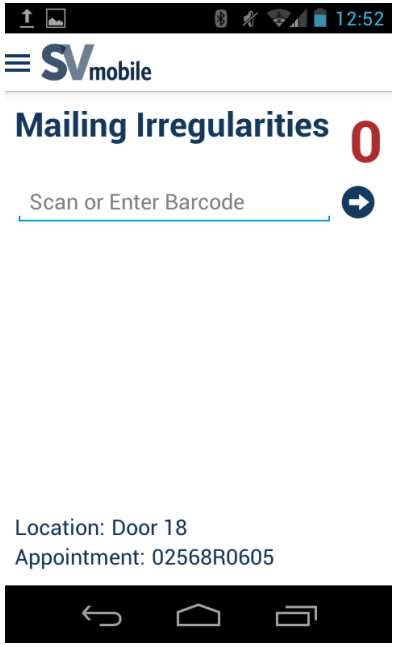
Recent Activities:

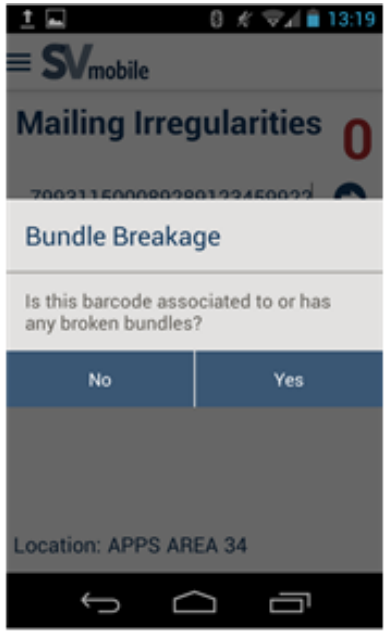
- National deployment to all 372 SV sites
- Scan all applicable 99M placard, IMtl, Imb, bundle, and piece barcodes
- Capture and associate photos to identified Irregularity
- 518 Irregularities and 187 images captured as of 10/2

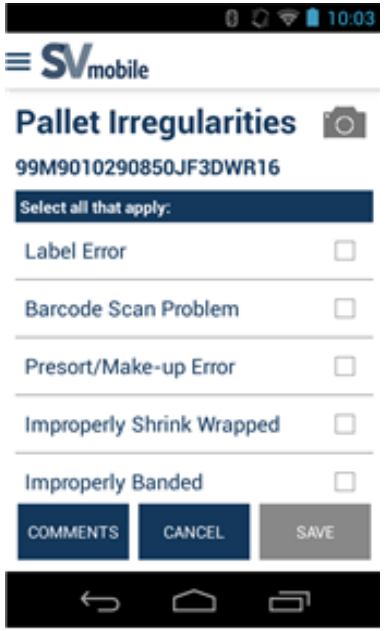
Upcoming Activities:

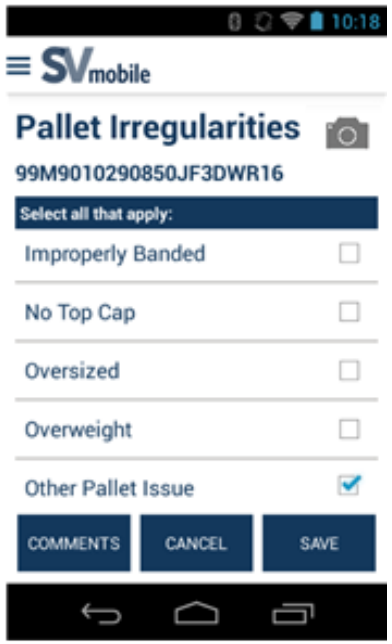
- Utilization via IV Bundle Irregularity reduction efforts
- Near Real Time notification to mailer

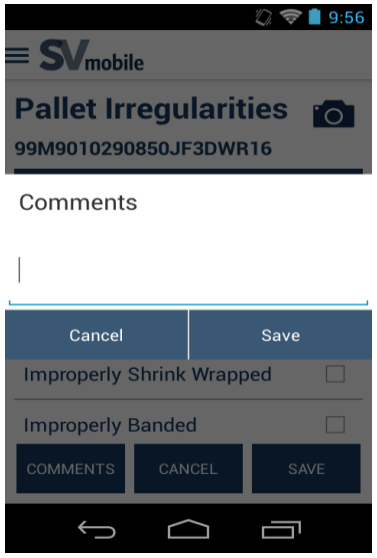
Mailing Irregularity Improvements

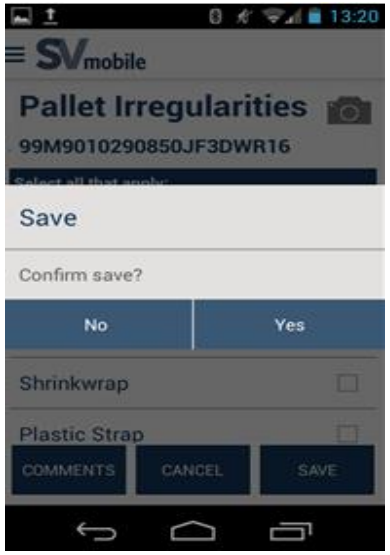


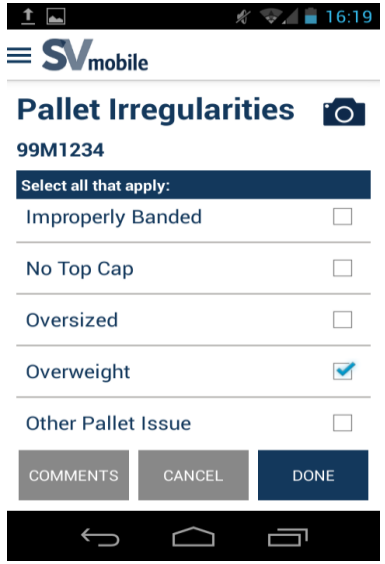


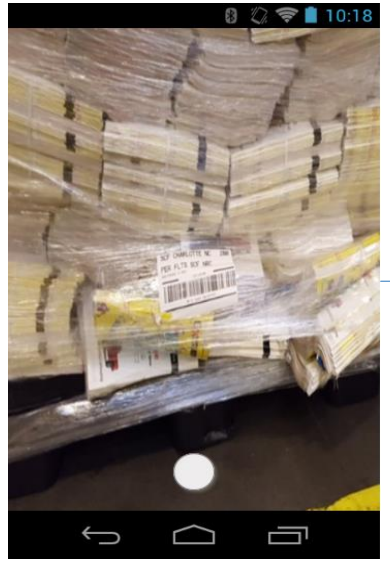


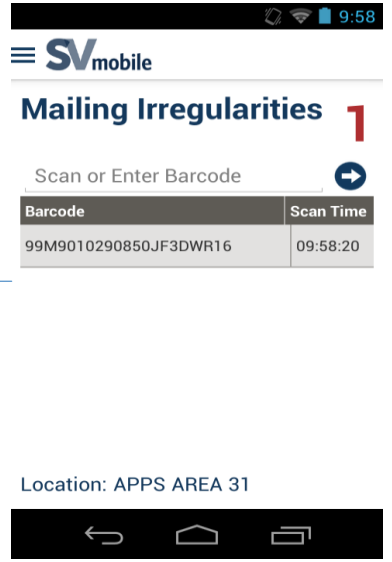












FAST / Drop Shipments

Internal Drop Ship Dashboard

Avg Last 6 wks:
On Time Arrivals = 27.3%
Avg Cycle Time = 31.7 mins

SV Drop Shipment Dashboard

Reset Saved URL | Reset All | **Last Refreshed: 10/01 11:41**

The Drop Shipment Dashboard allows for key analysis on drop shipment appointment on-time arrival performances and cycle times by site and by mailer to help identify which mailers have the longest wait before being

On Time Arrival Score
26.6%

Average Cycle Time (Site Arrive to Close)
32.9 min
SPLW: 32.9 min

Actual/Expected Unloads
90.7%

Site Arrive to Dock Assign
7.3 min
SPLW: 7.2 min

Dock Assign to Unload Start
9.9 min
SPLW: 9.8 min

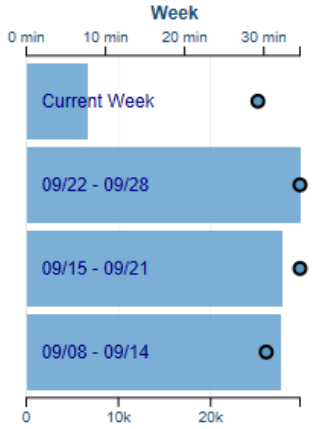
Unload Start to Unload End
16.4 min
SPLW: 16.3 min

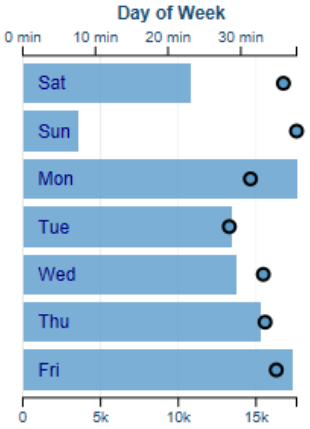
Unload End To Close
2.3 min
SPLW: 2.5 min

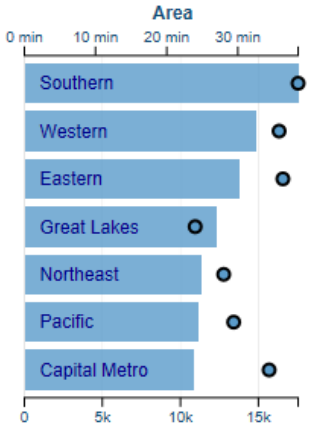
Site Mode | Shipper Mode

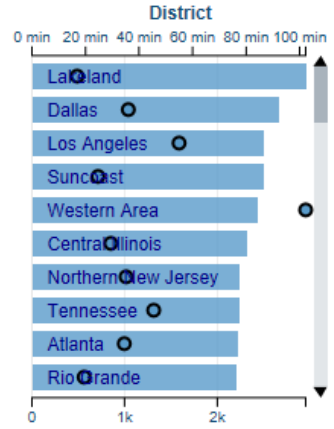
Search Site...

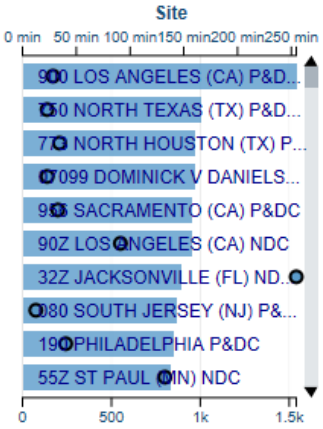
Detailed View











FAST Continuous Improvement

- Evaluating potential FAST IT improvements, including ability to provide mailer notification of declined recurring appointment instances
- Aligning service hub facility profiles with other Postal systems
- Reviewing constraints at facilities with multiple requests for volume/slot increases
- Expanding weekend drop ship hours at closed facilities, where possible

Facilities Now Open on Saturday/Sunday

Facility	New Drop Ship Hours
Westchester-105	Sun 0800-1000, 1200-1400
Orlando-328	Sun 0800-1500
Birmingham-350	Sun 0700-1200
Waite Park-563	Sun 0000-0600, 1400-2300
Bemidji-566	Sun 0400-1000, 1700-2300
Grand Forks-582	Sat 0800-1200; Sun 1400-1600
Bismarck-585	Sat 1100-1400
Champaign-618	Sun 0600-1500
Midland-797	Sun 1300-2300

UNITED STATES POSTAL SERVICE®

Peak Season Readiness

Processing Operations Peak Plan

- 15 Automated Package Bundle Sorters (APBS) expanded - 752 additional separations
- 6 Automated Package Processing Systems (APPS) expanded - 426 additional separations
- 22 Automatic NDC Parcel Sorter Machine (PSM) Return to Keyer upgrades
- 2 APBS Feed Systems
- 15 ADUS
- 1 EPPS
- 2 Universal Sorters (USS)
- 4 NDC Flats Culling Systems
- 22 Automatic Tray Unsleevers

Processing Operations Peak Plan

- **Additional Space – 76 Peak Annexes Operations**
- **Additional Staffing Peak Seasonal Employees**
- **Automated Guided Vehicles**
  - Pennwood Plc PA
  - Queens NY
  - Richmond VA
  - Portland OR
- **Additional Capacity – Additional Package Sorter and Sorter expansion to add 1,946 additional output bins**

Automated **G**uided **V**ehicles

Enhanced **P**ackage **P**rocessing **S**ystem

Universal **S**orting **S**ystem

2018 Holiday Season Dates

- **Busiest Week for shipping: Week of December 17th**

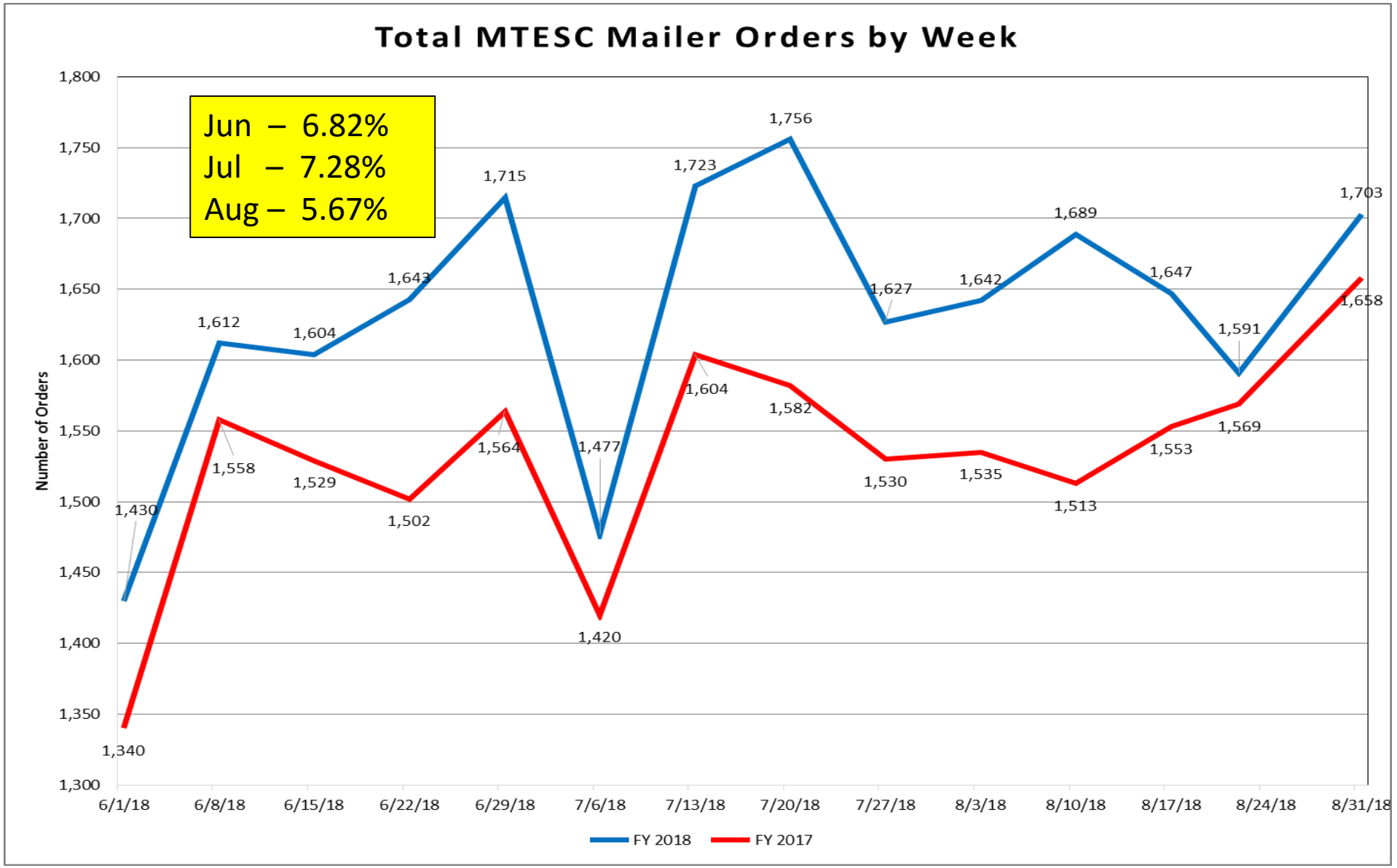
Domestic Mail Class/Product	Cut Off Date
First Class Mail	Dec-20
Priority Mail	Dec-20
Priority Mail Express*	Dec-22
USPS Retail Ground	Dec-14
DNDC Drop Ship	Dec-18
DDU Drop Ship	Dec-21
International Mail**	**
Priority Mail Express Military APO/FPO/DPO**	**

*Priority Mail Express postage refund eligibility is adjusted for shipments mailed Dec 22-25

** See additional information below

Military Mail Addressed To/From	Priority Mail Express Military™ Service (PMEMS) 1/	First-Class Mail® Letters and Cards	Priority Mail®	Parcel Airlift Mail (PAL) 2/	Space Available Mail (SAM) 3/	USPS Retail Ground™
APO/FPO/DPO AE ZIPs 090-092	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIP 093	N/A	Dec-4	Dec-4	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIPs 094-098	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AA ZIP 340	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AP ZIPs 962-966	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6

Weekly Mailer Orders at MTESCs



MTE Inventory Status

10/01/2018	Current MTESC Inventory on hand	1-Week Safety Inventory	Pieces Above / Below Safety	Percent Above / Below Safety	Weekly Demand Var to SPLY	% Var Inventory to SPLY
PALLETS	1,379,835	503,236	876,599	174%	3%	-20%
EMM TRAY	3,575,232	1,570,983	2,004,249	128%	5%	-31%
1/2 TRAY	1,209,310	1,244,644	(35,334)	-3%	-1%	-37%
MM TRAYS	5,058,900	2,389,025	2,669,875	112%	-1%	5%
MM SLEEVE	2,901,762	3,588,062	(686,300)	-19%	6%	-7%
EMM SLEEVE	2,595,000	2,214,024	380,976	17%	-4%	-62%
1/2 SLEEVE	1,394,523	1,637,231	(242,708)	-15%	1%	-48%
FLAT TRAY (Cardboard & Plastic)	1,090,600	584,343	506,258	87%	1%	-53%
FLAT TRAY LIDS	1,042,560	330,491	712,069	215%	-30%	5%
#1 SACK	2,999,000	1,765,712	1,233,288	70%	-29%	129%

Source: MTESS

Commitment

- Sufficient capacity in our networks
- Peak days/weeks identified and resource plans in place
- Comprehensive contingency planning (weather impacts)
- Timely dispatches from our processing facilities
- Industry partnership/communication

UNITED STATES POSTAL SERVICE®

Smart Safety

Recent Fatality

- **Smart Safety Saves Lives**
  - Culpepper, Virginia 22701
  - USPS employee fatality
  - Accident occurred in the morning at the loading dock
  - Contractor driving an 11 Ton struck employee walking from car to employee entrance
  - Probable cause of accident: Inattention

QUESTIONS

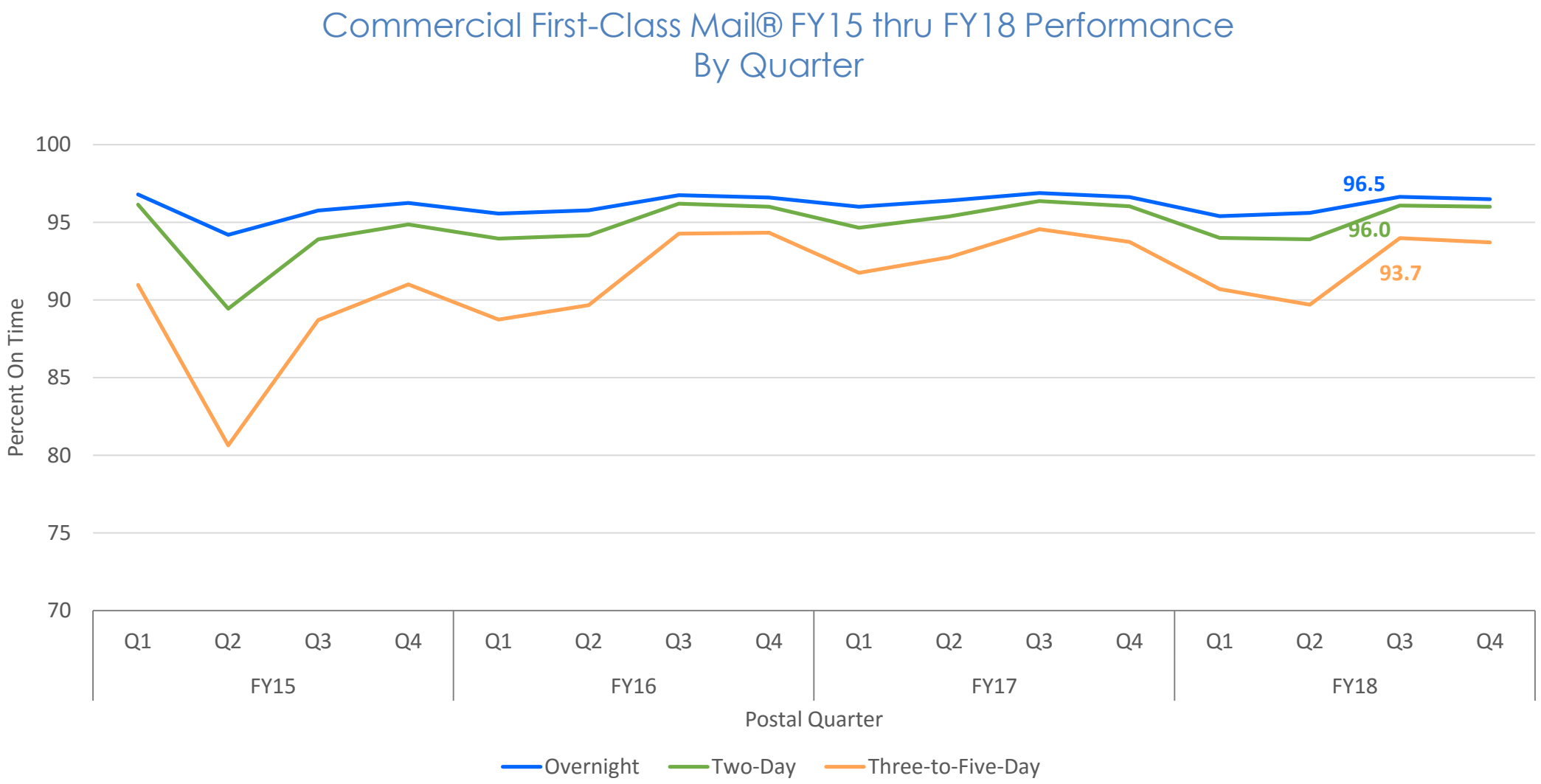
MTAC Mail Prep & Entry
First Class Mail Session

Agenda

- **First Class Mail Session**
  - Service Performance Update
  - Remittance Mail Update
  - Peak Season Readiness
  - Mail Transport Equipment
  - Smart Safety
  - Open Discussion

Service Performance Update

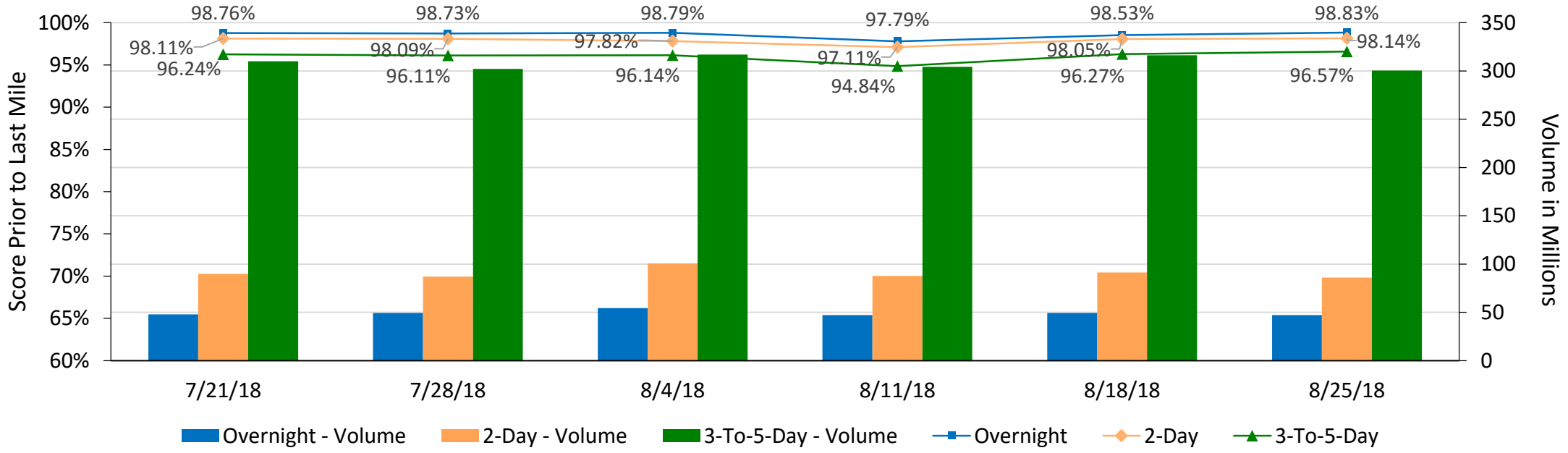
Commercial First-Class Mail®
Performance by Quarter



Note: Preliminary FY18 Q4 results through August 31, 2018. Results starting FY17 Q1 are based on Days Left Group (DLG) approach, whereas all prior quarters' results are based on Last Processing Operation (LPO) approach. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

First-Class Mail® (Letters)

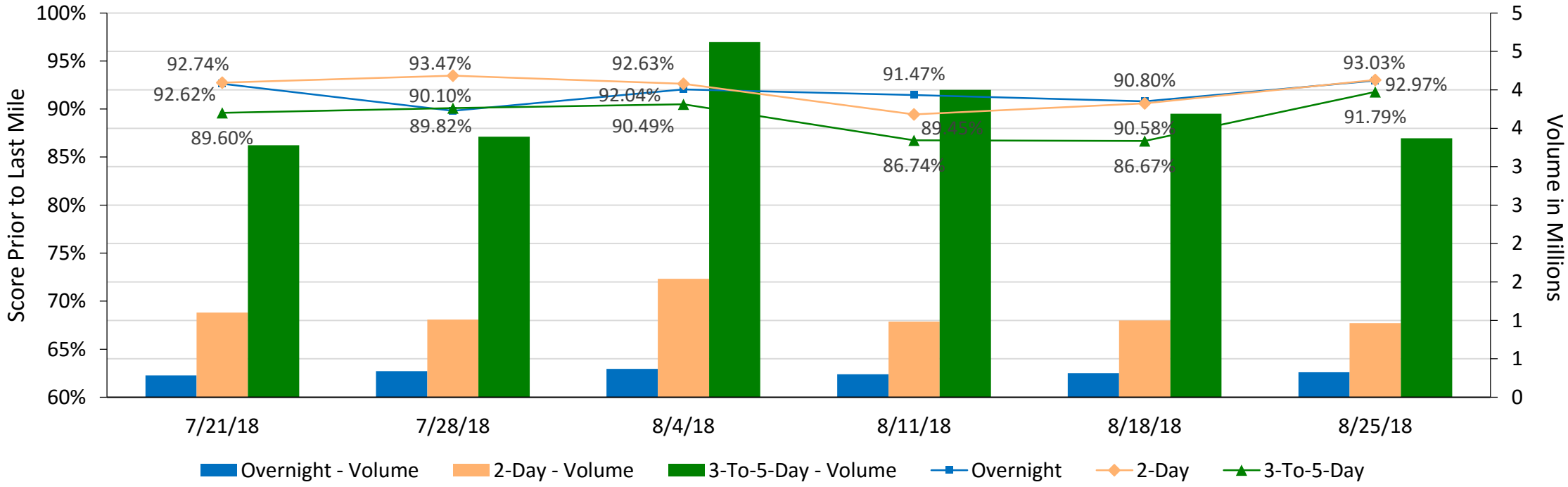
Score Trend



Q4TD thru 8/31/18	Total Pieces Measured	Processing On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change
Presort Overnight	436,796,213	98.60%	-1.95%	96.65%	96.80%	464,969,188	-6.06%	96.84%	-0.19%
Presort 2-Day	807,991,860	97.94%	-1.77%	96.17%	96.50%	813,658,028	-0.70%	96.49%	-0.32%
Presort 3-to-5-Day	2,753,685,530	95.54%	-1.65%	93.89%	95.25%	2,856,912,973	-3.61%	94.72%	-0.83%
3-Day	2,738,909,868	95.53%	-1.65%	93.89%	95.25%	2,841,243,818	-3.60%	94.71%	-0.83%
4-Day	14,193,659	97.02%	-1.54%	95.48%	95.25%	15,031,974	-5.58%	97.15%	-1.67%
5-Day	582,003	86.73%	-2.13%	84.60%	95.25%	637,181	-8.66%	85.51%	-0.91%
Presort Total	**3,998,473,603**			**94.65%**	**96.00%**	**4,135,540,189**	**-3.31%**	**95.31%**	**-0.66%**

Note: Preliminary FY18 Q4 results through August 31, 2018. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

First-Class Mail® (Flats)
Score Trend



Q4TD thru 8/31/18	Total Pieces Measured	Processing On-Time	Last Mile Impact	Overall Score	Target Score	SPLY Pieces Measured	Volume Change	SPLY Overall QTD Score	SPLY Change
Presort Overnight	2,787,923	91.52%	-6.20%	85.32%	96.80%	3,477,254	-19.82%	85.47%	-0.15%
Presort 2-Day	10,085,671	92.15%	-7.62%	84.52%	96.50%	11,315,457	-10.87%	84.83%	-0.31%
Presort 3-to-5-Day	33,590,770	88.66%	-7.34%	81.32%	95.25%	37,382,399	-10.14%	81.85%	-0.53%
3-Day	33,453,651	88.64%	-7.33%	81.31%	95.25%	37,227,782	-10.14%	81.91%	-0.60%
4-Day	134,050	93.91%	-8.60%	85.31%	95.25%	150,436	-10.89%	67.54%	17.76%
5-Day	3,069	95.83%	-12.04%	83.79%	95.25%	4,181	-26.60%	56.37%	27.43%
Presort Total	**46,464,364**			**82.26%**	**96.00%**	**52,175,110**	**-10.95%**	**82.74%**	**-0.48%**

Note: Preliminary FY18 Q4 results through August 31, 2018. Service performance measurement was suspended for mail originating from or destined to Caribbean District starting September 16, 2017 due to the devastating impacts of Hurricanes Irma and Maria. Measurement resumed in FY18 Q3.

In FY18 Q4TD, about 77% of Full-Service mail was in Measurement

Mail Class	Mail Shape	Commercial	Full-Service Eligible	Full-Service	In Measurement	% of Full-Service In Measurement
First Class Presort	Letter/Card	6,172,215,173	5,938,726,538	5,734,790,136	4,021,683,951	70.13%
First Class Presort	Flat	92,253,703	83,421,406	71,798,726	47,580,728	66.27%
USPS Marketing	Letter	8,895,781,249	8,728,551,853	8,273,933,855	6,862,869,541	82.95%
USPS Marketing	Flat	3,134,174,768	2,181,610,159	1,850,320,708	1,391,205,657	75.19%
Periodicals	Flat	720,912,580	695,933,406	649,803,386	431,385,395	66.39%
Total		**19,015,337,473**	**17,628,243,362**	**16,580,646,811**	**12,754,725,272**	**76.93%**

Metrics are for Mailing Dates 07/01/2018 – 08/31/2018
Commercial and Full-Service Eligible Volumes sourced from PostalOne!

Remittance Mail Update

Industry Information

- USPS BSN and Operations contact list updated
- RMAC email list currently being updated
  - Recent communication to RMAC members re: Hurricane Florence impacts
  - RMAC Board Meeting will be scheduled

Best Practice Implementation

- Processing and communication plan and alerts
- Internal comprehensive Remittance Processing Control Plan

Top USPS Remittance Improvement Initiatives

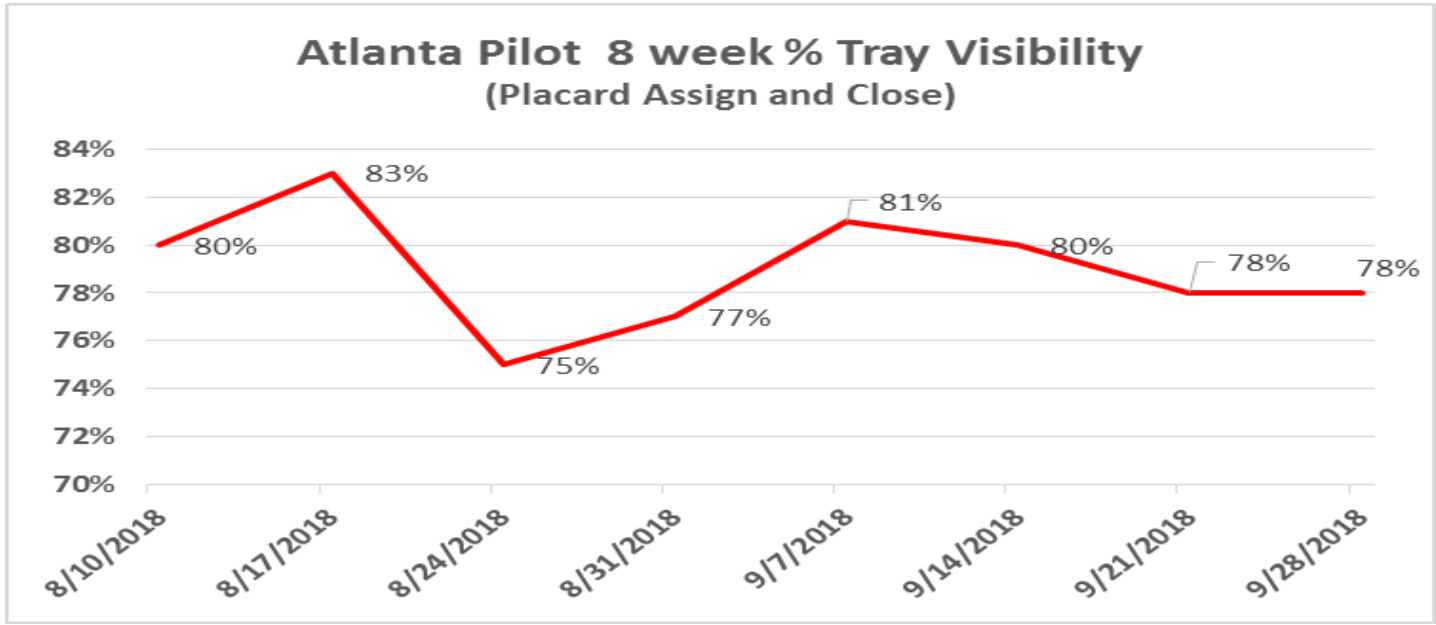
- Continue Customer Relationship/partnership
- Focus on reducing caller handoff time
- Reduce additional identified processing waste/non value added time

Fall 2018-02 Remittance Mail Survey

- Survey seeding begins Monday October 15, 2018
- Survey seeding ends Friday October 26, 2018

Caller Visibility Pilot

- Pilot currently in progress in Atlanta
- Pilot expansion to 1 site per area scheduled in quarter 2 FY 2019
- Atlanta Pilot results; measured by % assign and close of pilot participants 99H placard (average 8 week period = 79%)



UNITED STATES POSTAL SERVICE®

Peak Season Readiness

Processing Operations Peak Plan

- 15 Automated Package Bundle Sorters (APBS) expanded - 752 additional separations
- 6 Automated Package Processing Systems (APPS) expanded - 426 additional separations
- 22 Automatic NDC Parcel Sorter Machine (PSM) Return to Keyer upgrades
- 2 APBS Feed Systems
- 15 ADUS
- 1 EPPS
- 2 Universal Sorters (USS)
- 4 NDC Flats Culling Systems
- 22 Automatic Tray Unsleevers

Processing Operations Peak Plan

- **Additional Space – 76 Peak Annexes Operations**
- **Additional Staffing Peak Seasonal Employees**
- **Automated Guided Vehicles**
  - Pennwood Plc PA
  - Queens NY
  - Richmond VA
  - Portland OR
- **Additional Capacity – Additional Package Sorter and Sorter expansion to add 1,946 additional output bins**

Automated **G**uided **V**ehicles

Enhanced **P**ackage **P**rocessing **S**ystem

Universal **S**orting **S**ystem

2018 Holiday Season Dates

- **Busiest Week for shipping: Week of December 17th**

Domestic Mail Class/Product	Cut Off Date
First Class Mail	Dec-20
Priority Mail	Dec-20
Priority Mail Express*	Dec-22
USPS Retail Ground	Dec-14
DNDC Drop Ship	Dec-18
DDU Drop Ship	Dec-21
International Mail**	**
Priority Mail Express Military APO/FPO/DPO**	**

*Priority Mail Express postage refund eligibility is adjusted for shipments mailed Dec 22-25

** See additional information below

Military Mail Addressed To/From	Priority Mail Express Military™ Service (PMEMS) 1/	First-Class Mail® Letters and Cards	Priority Mail®	Parcel Airlift Mail (PAL) 2/	Space Available Mail (SAM) 3/	USPS Retail Ground™
APO/FPO/DPO AE ZIPs 090-092	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIP 093	N/A	Dec-4	Dec-4	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AE ZIPs 094-098	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AA ZIP 340	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6
APO/FPO/DPO AP ZIPs 962-966	Dec-18	Dec-11	Dec-11	Dec-4	Nov-27	Nov-6

Commitment

- Sufficient capacity in our networks
- Peak days/weeks identified and resource plans in place
- Comprehensive contingency planning (weather impacts)
- Timely dispatches from our processing facilities
- Industry partnership/communication

Mail Transport Equipment

MTE Quality Assurance

- *Everyone's responsibility:* Ensuring good working order and functionality of MTE

- *Mailers responsibility:*
  - Report weekly MTE inventory levels in MTEOR
  - Ensure MTE properly used and labeled
  - Report quality issues to servicing MTESC
  - Label holders are available for minor repairs to continue production

- *MTESCs responsibility:* Consolidate MTE for transport ease and use. Identify and condemn unusable MTE

- *Postal Facilities responsibility:* Remove labels when emptying MTE. Identify unusable MTE and return to the MTESC for condemnation
  - Postal Quality Specialist assigned to each MTESC. Performs/Submits daily field audits to HQ

MTE Field Audit Example:

From: [redacted]
Sent: Friday, September 28, 2018 5:06 PM
To: [redacted]@usps.gov>
Cc: [redacted] Washington, DC [redacted]s@usps.gov>
Subject: Pasco trailer audit 99MTE53088 9.28.2018

Good Afternoon,

Pasco trailer audit 99MTE53088 9.28.2018

- Trailer % - 60
- Pallet stacks – 5
- PPFG – 19
  - Pallet top placed between PPFG pallets. Pallet tops are a none mte item and will be returned to you Facility.
  - Incorrect - 0
    - Corners up – 0
    - To tall - 0
    - To short – 0
    - Not configured correctly - 0
    - Mixed product – 0
      - Mixed trays - 0
      - Fiber board and Plastic tubs are not to be not to be mixed. - 0
    - Stretch not applied correctly - 0
      - Not attached to the pallet - 0
      - None - 0
- No MTEL Placards - 0
- Red Tagged - 0
  - With trash - 0
- Gaylords - 7
  - Sacks - 4
  - Sleeves - 3
  - Trays/Tubs – 0
- Serviceable containers – 0
  - All serviceable containers should be used in-house or in a downstream operation
    - Serviceable trays/tubs - 0
- Wire - 0
  - Sacks - 0
  - Sleeves – 0
  - Trays/Tubs - 0
- Non-MTE - 0

Quality Issues – Service Talk sent 07/02/2018 – extract below:

Top-down re-enforcement to:

All Plant Managers

All Senior Plant Managers

All Managers, Operations Support

All Managers, In-Plant Support

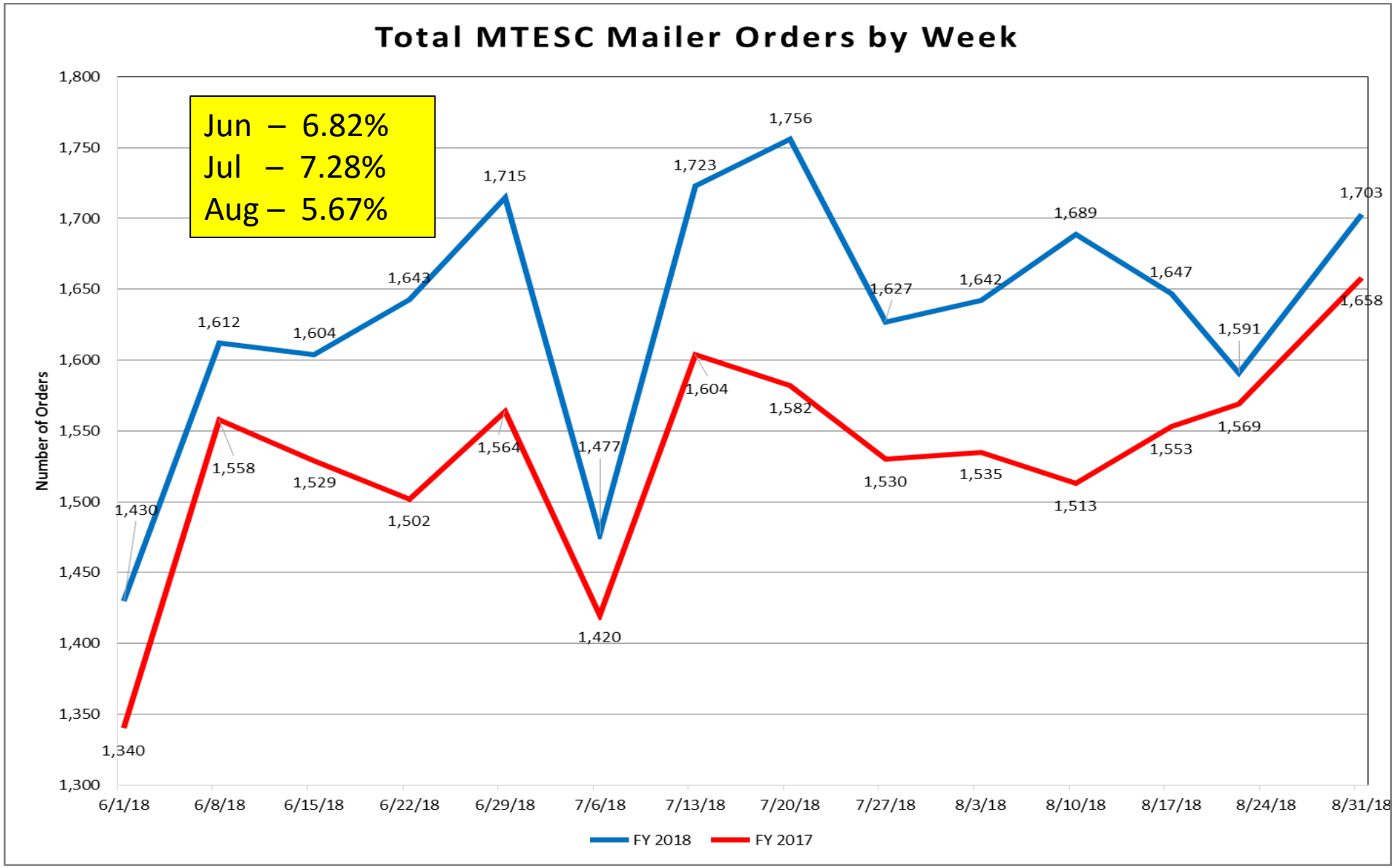
Postal employees are responsible for removing all labels and tags from trays when they are emptied of mail. Old tray labels should be thrown away and any tags should be collected and reused. Below is an excerpt from the MTE SOP for Processing Facilities:

General

All MTE must be inspected prior to containerizing to ensure all mail has been removed. Any mail trapped in MTE will almost certainly fail to be delivered timely. All mail found in MTE is to be brought to the attention of local management to ensure expedited handling and reporting.

All trash must be removed from MTE before returning to Mail Transport Equipment Service Centers (MTESC). **All labels, placards, and residual signage** (i.e. "HAZMAT", "Code Red", etc.) must be removed from all MTE when emptied.

Weekly Mailer Orders at MTESCs



MTE Inventory Status

10/01/2018	Current MTESC Inventory on hand	1-Week Safety Inventory	Pieces Above / Below Safety	Percent Above / Below Safety	Weekly Demand Var to SPLY	% Var Inventory to SPLY
PALLETS	1,379,835	503,236	876,599	174%	3%	-20%
EMM TRAY	3,575,232	1,570,983	2,004,249	128%	5%	-31%
1/2 TRAY	1,209,310	1,244,644	(35,334)	-3%	-1%	-37%
MM TRAYS	5,058,900	2,389,025	2,669,875	112%	-1%	5%
MM SLEEVE	2,901,762	3,588,062	(686,300)	-19%	6%	-7%
EMM SLEEVE	2,595,000	2,214,024	380,976	17%	-4%	-62%
1/2 SLEEVE	1,394,523	1,637,231	(242,708)	-15%	1%	-48%
FLAT TRAY (Cardboard & Plastic)	1,090,600	584,343	506,258	87%	1%	-53%
FLAT TRAY LIDS	1,042,560	330,491	712,069	215%	-30%	5%
#1 SACK	2,999,000	1,765,712	1,233,288	70%	-29%	129%

Source: MTESS

UNITED STATES POSTAL SERVICE®

Smart Safety

Recent Fatality

- **Smart Safety Saves Lives**
  - Culpepper, Virginia 22701
  - USPS employee fatality
  - Accident occurred in the morning at the loading dock
  - Contractor driving an 11 Ton struck employee walking from car to employee entrance
  - Probable cause of accident: Inattention

QUESTIONS