

MTAC OPEN SESSION (NOVEMBER 2, 2021) QUESTIONS & ANSWERS

Questions During PMG Session

Q. *Glen Swyers (APTECH)*: Any chance we can use the open truck space being used to bring back the Mail Transport Equipment? Or possibly leverage the Drop Ship Mail carriers, that are coming back empty – can be bring back MTE?

A. Trips originating from the Mail Transport Equipment Center (MTEC) go to mailers to drop off MTE and may stop at a USPS Plant after departing a mailer before returning to the MTEC. No drop shipments go to the MTEC and MTEC's do not perform drop shipments.

The shortages will depend on the MTE type. There are plenty of trays and sleeves of each type and all orders are being filled. – (*Joseph McPherson, Dir. Mail Transport Equipment*)

Q. *Mark Fallon (PCCAC)*: What do you feel are the chances of postal reform passing in this Congress?

A. We remain quite optimistic that Postal Reform legislation passes in this two-year Congress that concludes in 2022. Reform legislation could potentially even find a narrow window for floor time and passage in one or even both chambers (House then Senate) in 2021. – (*Peter Pastre, VP Government Relations*)

Q. *Kathy Siviter (NAPM)*: The majority of Market Dominant mail volume comes to the USPS through Mail Service Providers, who help business customers access USPS products and services. What is your feeling about the MSP network and how the USPS can help support that network better?

A. Per Robert Cintron's presentation at the DTAC Fall meeting, that pertains to improving processing incoming mail, the focus for Logistics in 2021 is to improve "Yard Control" at processing facilities. This includes using data and technology from inbound shipments reducing "cycle" time on dock doors, dedicating dock doors per FAST appointments and utilizing a flow model for dispatches to delivery units and other network facilities. – (*Robert Cintron, VP Logistics*)

Q. *Hamilton Davison (ACMA)*: Your vision for a more efficient agency is most welcome and as you point out, overdue. When might mailers expect that the results of the USPS plans begin to take pressure off of ratepayers to fund the gap (making assumptions such as PRA, etc)?

A. At this time, It is difficult to estimate exactly when underwater products and/or classes will become profitable and will no longer include non-compensatory pricing authority or requirement to have a 2-point increase above the class average. – (*Sharon Owens, VP Pricing and Costing*)

Q. *David Robinson*: In the reference to "slowing down the mail", if, as you've stated in the past that the USPS was not meeting performance measurements anyway, is the mail really, actually, going to be much slower relative to actual delivery (as opposed to the former standards)?

A. We will follow-up with David Robinson to clarify question being asked" and then have someone reach out to him so we can provide a response.

Q. *Todd Black (ACMA)*: Do you feel the density adder is fair formula?

- A. Yes. There are times, such as when volume falls steeply, that the density-based rate authority can help compensate the Postal Service for the rise in per-unit cost that tends to come from a decline in mail density (mail pieces per delivery point), which the Commission has identified as a primary driver of the Postal Service's net losses. This additional rate authority may not be significantly present in all years, and notwithstanding the authority, the Postal Service will always aim to use its pricing flexibility, as much as possible, to both retain volume and achieve financial sustainability. – (Sharon Owens, VP Pricing and Costing)

Questions During Operations Session (Isaac/Josh)

- Q. *Mike Tate (ABA)*: What has been done to improve the mail monitoring since last peak to ensure, the mail is managed first in, first out?
- A. We've hired seasonal employees, have additional overtime to use and are focused on using newly acquired annexes to alleviate space issues. FIFO is a priority. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. *Robert Lindsay (Connectiv)*: How are you doing on your MTE shortages?
- A. New equipment ordered and arriving now. We'll be shipping directly to sites. Joe McPherson will work with industry on cleaning up MTE and ensuring enough is shipped. – (Joe McPherson, Dir Mail Transport Equipment)
- Q. *Lyf Titcomb (DHL, MTAC Participant)*: Josh, you discussed visibility down to the route level. Does this include Drop Shipments or only network volume?
- A. Both. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. *Glen Swyers (APTECH)*: What is the expected impact/if any will the vaccine guidance from OSHA have on employee availability?
- A. We've hired new peak employees and are currently at 10% overtime, compared to 20% last peak at this time, so we have room there to use more overtime. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. *Darlene Wolf (AMEE)*: Why is Marketing Mail outperforming First-Class Mail?
- A. We've changed the standards according to the Delivering for America Plan for Marketing Mail. Standards for First-Class won't change until after peak. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. *Rich Domagala (NASML)*: Moving many packages from the plants will help Marketing Mail get accepted and processed, in theory. A major part of the problem throughout the past year was a shortage of personnel, especially forklift operators. Will you have enough people available and trained to accept Marketing Mail this peak?
- A. Yes. We've been planning all year to ensure we do not have a peak like last year again. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. *Wanda Senne (MTAC Leadership)*: What is the Peak timeline/dates according to the USPS?

- A. Unofficially, peak is Thanksgiving through New Years' Eve. – (Fontell Peart, Dir Operations Integration & Support)
- Q. Carol Kliewer (SMC, MTAC FG Leader): I don't know that your measures on scan and performance are 100% accurate about periodicals and performance in general.
- A. USPS has adjusted measurement parameters according to the DFA plan. Also working with industry on specific breakdown reporting to collaborate on pulling data to ensure measurement is comparable. – (Steve Dearing, Sr Dir Bus Int & Ops Analytics)
- Q. Kate Muth (IMAG): Is the truck driver shortage impacting this plan?
- A. In some areas, however we've hired additional employees to address this issue. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. Kathy Siviter (NAPM): What are the STC facilities being used for prior to the transition of the letters/flats network from NDC into the STCs, which is yet to come?
- A. STCs have a primary function of achieving increased vehicle cubic capacity and utilization. STCs receive mail containerized by product type or by ZIP code range for cross dock transfer; mixed mail volume is sorted for dispatch to the appropriate destination. – (Mike Barber, VP Processing & Maintenance Operations)
- Q. Mark Fallon (PCCAC): Will the additional annexes for Peak be run by postal employees, or will they be contracted out?
- A. Postal employees. (Lisa Adams, Exec Mgr Surface Policy & Performance)
- Q. Rick Kropski (DTAC): Is the USPS experiencing lead-time challenges in getting all this equipment ... in light of all the supply chain issues over the last year?
- A. Not so far. New equipment ordered and arriving now. We'll be shipping directly to sites. Joe McPherson will work with industry on cleaning up MTE and ensuring enough is shipped. – (Joe McPherson, Dir Mail Transport Equipment)
- Q. Wanda Senne (MTAC Leadership)(MTAC Leadership): My question doesn't relate to shipping dates. I'm asking what is peak to USPS? Peak is generally a month plus long time frame. Peak also includes return time period.
- A. Unofficially, peak is Thanksgiving through New Years' Eve. – (Fontell Peart, Dir Operations Integration & Support)
- Q. Tom Mackel (AAPC): Many of us have multiple facilities and docks and might have some open space for season because we do letter mail. What areas are you seeking temporary space. If something was available... who should we reach out to?
- A. Info being passed on Mon, Wed and Fri peak status calls. Industry should start with their BSN rep. Info can be found on USPS PostalPro at: <https://postalpro.usps.com/> – (Fontell Peart, Dir Operations Integration & Support)
- Q. Wendy Smith (ANA): How close are you to the goal of 40,000 peak hires at this time?
- A. We are on target to meet our goal. – (Press Release, Dec. 3, 2021)

- Q. *Glen Swyers (APTECH)*: With all the new equipment/efficiency strategies - do we have a metric on new capacity? Is there a stat for how much mail/package per person can you process?
- A. Processing operations has added nearly 90 Package processing machines, which has added 4.6M daily in package processing capability. – (*Fontell Peart, Dir. Operations Integration & Support*)
- Q. *Leo Raymond (Mailer’s Hub)*: Will the USPS ever establish performance standards for its employees to assure work output and efficiency at any given staffing level?
- A. We will follow-up with Leo Raymond to clarify question being asked” and then have someone reach out to him so we can provide a response.
- Q. *Carol Kliewer (SMC, MTAC FG Leader)*: MTE Pallet shortages
- A. There are also new purchases of each MTE type that are still coming to the MTESC and will continue through December. – (*Joseph McPherson, Dir. Mail Transport Equipment*)
- Q. *Michelle Zalewski (DTAC)*: There seems to be a dire MTE struggle in IL/WI. If a mailer has to shut down equipment due to lack of MTE who can they reach out to?
- A. 1 million pallets have been ordered. Our logistics partners are working with us to make sure that there are enough pallets, there are daily interactions ongoing with our team, major mailers and package shippers. We’re focused on daily inventories with mailers and daily inventories between our USPS processing facilities to make sure that we have enough MTE to go around. We ask all of our partners to please don’t store excess equipment that you don’t need or is not critical to your business needs. – (*Dane Coleman, VP Regional Processing Operations*)
- Q. *Paolo Dizon*: The PMG mentioned a newly implemented Transportation Management System. How will that help monitoring the flow of mail?
- A. We are focused on implementing 6 new decoupled surface transfer centers. This will help us keep the whole network a lot more fluid, reduce cycle times. Our ultimate goal is to drive up truck utilization particularly on the long-haul network and keep the air volume within the capacity to be service responsive and effective. – (*Isaac Cronkhite, Chief Logistics & Processing Operations Officer and EVP*)

Chief Technology Office Questions During Operations Session (*Linda/Vicki*)

- Q. *Kathy Siviter (NAPM)*: is the planning for electric vehicle charging infrastructure contingent on USPS getting \$ from Congress to do so?
- A. The NGDV program includes both Internal Combustion Engine (ICE) and Battery Electric Vehicle (BEV) versions of the NGDV. At least 10% of the initial delivery order will be for BEVs and includes the associated electric vehicle charging infrastructure to support ongoing operation of these vehicles. With the addition of congressional funding, the USPS will increase the *proportion* of electric vehicles and associated charging infrastructure within our procurement/deployment activities. – (*Vicki Stephen, Exec Dir Next Gen Del Vehicle*)
- Q. *Kathy Todd Black (ACMA)*: Will the HOPS sort bundles?
- A. Yes – (*Linda Malone, VP Engineering Systems*)

- Q. *Wanda Senne (MTAC Leadership)*: How is the USPS assuring that the correct scan locations are programmed into this scanner? We would want to be sure scans match correct DDU etc.
- A. The carrier's scanner downloads a file every week that has each delivery point on his route with associated geo-coordinates. When the carrier scans a package the current location of the carrier is compared to the location associated with the intended delivery point of the package. If the comparison fails with a difference of greater than 60 feet (usually) the carrier is presented with a message alerting them that they are not scanning where they should be. The geo-coordinates associated with delivery points nationwide are part of a continual improvement process using previous scan data and the GPS 'breadcrumbs' that identify where the carriers travel. – (*Charles McLellan, Mgr Delivery & Mobile Technology*)
- Q. *Carol Kliewer (SMC, MTAC FG Leader)*: Like the robots that move the pallets – what about bulging gaylords, which is the norm?
- A. The Postal Service is aware of challenges caused by improperly managed MTE and containers but is confident that robotic technology can manage to operate in a real-life environment. – (*John Dunlop, Dir Material Handling & Robotics*)
- Q. *Mark Fallon (PCCAC)*: Is the USPS considering lockers on the exterior of post offices to allow 24x7 access?
- A. Yes, we are planning on expanding our parcel lockers both inside and out. Both electronic and traditional. – (*Jodi Nascimento, Dir Delivery & Retail Technology*)
- Q. *Kathy Siviter (NAPM)*: Why does the USPS require hardcopy receipts for packages when making an insurance claim? If that was not required, it would greatly reduce the need for package mailers to stand on line at retail counters with prepaid parcels just to get the receipt.
- A. For insurance claims to be paid, part of the required documentation is proof of postage paid and proof of insurance purchased. If a customer uses PC Postage or ePostage, that proof is readily available in their account history. If a customer ships their package at a retail window, the RSS receipt provides that information.

What the customer may be referring to is that for an insurance claim to be paid, USPS must have proof of possession by the Postal Service. Many customers will bring their prepaid insured packages into a retail lobby, wait in line and get it scanned Accepted at the retail window. That generates a receipt, which is what the customer may be referring to. – (*Nathan King, Dir Consumer Advocate*)

Customer Experience, Product Solutions, and Business Technology Questions During Operations Session (*Marc/Gary/Tom/Garrett*)

- Q. *Steven Colella (Catholic Development Council)*: Jey Marc when you say MTE is big issue now is that because there is an issue or that it is peak season and therefore increased demand. If the later, does the USPS have the needed MTE?
- A. In terms of MTE, there is an extremely high demand for certain items (pallets, sleeves, trays) and at times, it's been difficult to fulfill based on our own inventories and ability to procure from our suppliers. During this period, we really need to work more in a Just-In-Time fashion where we distribute out and get the equipment back to keep us fluid. – (*Marc McCrery, VP Customer Experience*)

- Q. *Glen Swyers (APTECH)*: Can you report on MTE concerns registered thru the escalation process?
- A. We have very tight supplies right now, largely in the Midwest and Northeast, with pallets, sleeves, and trays. We are working with the MTE team to keep us fluid and get equipment to customers as necessary. – *(Marc McCrery, VP Customer Experience)*
- Q. *Steven Jacobs (MPA)*: Can you please distribute those tier contacts to us again.
- A. Hi, Steven. I'll make sure the team reaches out to you to ensure you have all the right contact information for your BSN support. *(Marc McCrery, VP Customer Experience)*
- Q. *Rose Flanagan (DTAC, MTAC FG Leadership)*: I've just heard that some Clerks are requiring a copy of the Promotion Approval email from the Promotions Office before they accept mailings. Is that required?
- A. Short answer to the group is that they shouldn't need an email. – *(Krista Becker, Mgr New Solutions)*
- Q. *Karla Humphrey*: Signed up for the Direct Effect program some time ago, never got a reply. Should we sign up again?
- A. Question forwarded to Team@directeffectinnovations.com
- Q. *Kathy Siviter (NAPM)*: Some of our members are reporting they are getting FCM pieces returned for postage due because the postage shown on piece is not full rate ... some education needed about presort etc.
- A. We will work with our retail partners to re-issue service talks about postage. – *(Margaret Pepe, Executive Director Product Management)*
- Q. *Carol Kliewer (SMC, MTAC FG Leader)*: Please do an Industry Alert on 2022 Promotions on 11/26 you referenced.
- A. We're planning to do an industry alert in early December with information about the promotions. – *(Krista Becker, Mgr New Solutions)*
- Q. *Tom Mackel (AAPC)*: Is there a timeline goal to get those services to the cloud?
- A. Thomas, yes. We can provide some detail tomorrow. – *(Fontell Peart, Dir Operations Integration & Support)*
- Q. *Eric Kisgen (MPA, MTAC Mail Shape Leadership)*: Interested in what the plan might be to take PostalOne! to the cloud as part of that API migration project.
- A. Eric, PostalOne! to the cloud is not currently planned, however we do recognize there are opportunities. – *(Garrett Hoyt, Exec Dir CIO Services)*
- Q. *Deborah Damore (CSA)*: Will mailers be getting a live person when they call the HelpDesk too?
- A. The MSSC has always answered with a live person during business hours. PostalOne helpdesk is now under the MSSC structure and is also answered by a live person. – *(Randy Workman, Dir Business Acceptance Solutions)*

Processing and Delivery Operations and Enterprise Analytics Questions During Operations Session *(Angela/Mike/Jeff)*

- Q. *Mike Tate (ABA):* How is the process being measured/monitored to ensure all mail is first in, first out?
- A. USPS Delivery units utilize FIFO staging lanes & color codes to manage the “FIFO” process and scan data to identify anomalies and opportunities for improvement. – *(Robert Neal, Mgr. Delivery Policies and Practices)*
- Q. *Kathy Siviter (NAPM):* On the Industry Connect Dashboard, will the USPS be using the same system internally? If not, why not? If so, anything different in what USPS will access vs what industry will access?
- A. USPS Postal Operations is utilizing the Industry Connect Dashboard internally, but also analyze other current tools to mitigate operational risk and opportunities. – *(Fontell Peart, Dir. Operations Integration & Support)*
- Q. *Todd Black (ACMA):* Does industry connect dashboard use data from IV?
- A. To Industry and USPS use question – as described, dashboard will be used internally as well. External webinar/learn and grow will give you, the audience more insight as we move forward. Thank you. – *(Fontell Peart, Dir. Operations Integration & Support)*
- Q. *Glen Swyers (APTECH):* There is a marketing push for an earlier online shopping season this year - are you seeing impact on your plans?
- A. Yes, per the FLASH Report, overall mail volume is 5.6% above Same Period Last Year (SPLY) *(Flash volume report 12/7/21)*

Miscellaneous Questions

- Q. *Dawn Burgess (Utah Valley University, MTAC Guest Participant):* Why are the Western-Pacific AIM Meetings not occurring more frequently?
- A. We understand the difficulties in getting speaker commitments during this portion of the year. As a result, we are postponing the WestPac AIM meeting planned for November 30th. Instead, we will host an AIM meeting early in the next calendar year, possibly the first week of March. – *(Steve Kern, Jr., Program Manager, Customer Relations (WestPac Area))*