Wednesday Closed Session Network Operations

Robert Cintron, VP, Logistics Jason DeChambeau, Sr. Director Strategic Planning & Implementation Thomas (Tom) Glassman, Industry Lead

<u>Tom Glassman</u>-There appears to be a training issue in the field around Enterprise Payment System (EPS) and Business Reply Mail (BRM). In a lot of offices, people bring money, and they want to deposit this into an EPS account.

The clerks on the counter have no idea what we're talking about. The key word is "permit account," which then they understand

The other issue is Business Reply Mail - twofold.

- The first one is the system.
- The second one is once the mail is at the office, the clerk needs access to PostalOne!
 - Tom is receiving complaints that clerks can't get the funds to release the business reply mail.

<u>Tony Impronto</u> - Education, yes, understood is an issue. We have a retail campaign to work with the retail sales and service associates on a number of different items. We're going to add a couple of these items that Tom and I discussed to that campaign.

The second item is not having enough people trained on all the different processes so EPS, knowing how to do that and then how to process BRM. Some of the complaints we were hearing is this one person is trained and they're great, but when they're off then there is an issue. We understand that you know there's a gap there.

We're going to take that back, and we will put something together definitely to make sure that there's more, if not all the clerks that do work the window are trained to both of those services and they understand.

<u>Audience</u> - Would it be helpful for you, if industry people find specific sites that are having the challenges and could they email you or email someone just to say hey there is a site having challenges.

Tony Impronto - Yes, you can email me. My email address is, Anthony.a.impronto@usps.gov.

Tom Glassman - Can you update us at the next MTAC on the progress of that is going on?

Tony Impronto – Yes, we can do that.

<u>Tom Glassman</u> – The next question came about late deliveries at offices. I collected data from the end of February/beginning of March. I'm not sure if it still exists. Specifically, they were addresses up in Vermont Tennessee Georgia and then Rancho Cordova, California.

<u>Lisa Skelton</u> – Manager, City Strategy and Transformation under the Chief Retail and Delivery Operations (CRDO). Regarding late delivery Dr. Colin did address this yesterday during the Tuesday session that talked a lot about the data.

We "triangulate" our data so that we can be better addressed with the potential problems in the areas. We have data, such as the customer inquiries the complaints,

• We look at late carriers,

- we look at delayed or curtailed mail, which is a self-reporting element.
- We look at the last mile performance piece

We have a lot of information that we roll up and that helps point us in directions, where we may have delays. We take that data, and we have tiers. We look at the data and it's ranked. If we see an office, that starts to bubble up with some concerns,

- We have a tier one response, which is contacting the Office, if we have resources locally, we will go to the office, if not, we will conduct a virtual Gemba.
 - We will flip out the cell phone and we will have somebody walk the workroom floor. What do we see? Any issues? We show the office the data.

Then we have the second and third tiers.

- The second tier may be a little bit more systemic. It may be a repeat problem where we actually have a team that will go into the office and spend a day, two maybe three days to help.
- Tier three which is a more serious problem where we'll have a team actually come in and they will stay at that unit up to a week or two to help get it to sustainability.

Mike Plunkett - What does Gemba stand for?

<u>Lisa Skelton</u> - I don't know what Gemba, the actual letter stands for, but it is a Japanese word which means "boots to the ground." You go walk the floor basically.

<u>Audience</u> - Some of the root cause was availability or lack of carriers. Is there any way or perhaps can you share, even if it's just a percentage for next peak as an example, just to give an idea of a forecast?

So, in the future, industry at least, would be able to say to our customers, the marketers, "Delivery is going to be a little slow here." We could then set the expectations.

<u>Lisa Skelton</u> – We have some "lessons learned" from COVID. We are continually training our management on how to rotate if they get in that situation now.

We do also have contractual obligations, as far as how we share resources. Whether it's rural delivery or city delivery, or whether they can work outside of their installations, etc. we have to be cognizant of that.

The data combined with a network data, where we may have delays in the processing side that may impact the carrier side, is much better. It's a continual process that we work collaboratively, but I believe we're much better set.

We have hired thousands of people, so complement is at a better point coming into this peak. Also, as we come out of COVID, employee availability continues to rise.

<u>Tom Glassman</u> - Again, for open discussion when we look at future development of the Industry Connect Dashboard can we move delivery issues maybe into the dashboard in a "sub-menu?" Just something for open discussion and maybe it will work, maybe it won't work but

<u>Rose Flanagan</u> – So this might be a silly question, but you mentioned at the office level that some of the information is "self-reporting." Dr Colin brought up yesterday was the fact that the back end of a route was consistently not being delivered and I understand how that could easily happen so.

The back end of that route, is that coming to you now through data because you're using the GPS points, and you can see if the person isn't getting there or is that being self-reported?

<u>Lisa Skelton</u> – Both. We do have a self-reporting system similar to the dashboard. It's a snapshot each local office. Reports a snapshot of their conditions, so we have that piece.

We also use the "breadcrumb" data from the scanners. We also use scanning data. If we have "arrival at unit" scans and we have no "delivery" scans, we can see that pattern too. We're using all that information.

We're also educating, as we're training that when the unit is in that situation that you don't leave the backhand of the route not delivered for that second day you rotate it.

<u>Rose Flanagan</u> – I understand the large number of routes and tremendous amount of data. In our company, we have a "jeopardy" alert that pops up so every morning we'll get a "jeopardy" alert. It will list whatever is potentially in jeopardy by using the missing data that hasn't come through.

Have you designed that into this system that like literally you come in in the morning, and you can see that you know this office in this state?

<u>Lisa Skelton</u> – Our data comes in every day. It cycles every day, so we have yesterday's breadcrumb data that is factored in. The scanning that didn't result from the AAU the previous day all that every data comes in.

In each region we have Field Operations Support that looks at the data by region, and then we have the Delivery Support Specialists that are in each District that also hone into that District so it's a "tiered" approach but it's visible from all levels.

Audience - Lisa, can you tell us a percentage that are in tier three today?

<u>Lisa Skelton</u> – That falls under field operations support. We have an RDOC, which is a Retail Delivery Operation Command Center that's who governs that.

<u>Audience</u> - It's would be nice if we could know who is in "jeopardy," because many times, we can do something to help them get out of jeopardy.

It would be nice to know the more/most troubled spots are so maybe we can adjust something as your partner.

Kind of a segway on to the next, I know this kind of new, guess the question would be, "Can you give us a feeling of how many Gemba walks have you actually done and how many tier? Like how many times have you actually executed the plan?

<u>Lisa Skelton</u> – It has been hundreds. It depends on the District in the region and what the issue is. Due the COVID spikes, we tend to have pockets that may be focus. But they're being utilized. It's ongoing training.

Recently, I've seen Tier 3 Gembas in Columbus, OH and Atlanta. The team doesn't just go in and walk away. Once they believe that the location is sustained, it's still kept in sight and still visible for possible follow up.

<u>Dave Marinelli</u> – What is the communication plan between postal and industry when there are issues? How can we push information to you when we're seeing issues, how are you pushing information back to us? Sometimes there are things that we can do to help with these situations.

What can we do to get better resolution of this and potentially cut off some of these issues before they become severe and in require additional analysis?

<u>Lisa Skelton</u> – I'll take that back to Dr. Colin and Mrs. Angela Curtis because it is an opportunity that I believe we may be able to enhance.

<u>Dave Marinelli</u> - What I would suggest, not just on the Tier 3, but Columbus, OH would be an example where we were seeing issues very early on and it took no OIG report to get someone to take a look at everything that was going on.

Quite often there are ways that both industry and postal can partner to identify these issues because sometimes we do see it before postal does. Or if postal knows there's an issue, they can let us know so we can redirect mail or do something different, so we can prevent these issues.

Audience – Dr. Colin spoke about a "Rapid Response" team. How does one get triggered?

<u>Lisa Skelton</u> – It's based on the data. We have weights on the different measures and then it's ranked. It depends on the ranking. If a unit is on the report for five solid days, it's going to prompt a Gemba.

<u>Audience</u> – What if a unit has good data but lousy customer experience. Would that trigger a rapid response team?

<u>Lisa Skelton</u> - I can't say that would trigger a response, but Customer 360 (C360), is definitely on there. So, it just depends on it's all the factors together.

<u>Audience</u> – It sounds like there is an intense level of attention from headquarters to what's going on at the hundred and whatever thousand number of routes and 19,000 delivery units. This raises the question in my mind, "Aren't there intermediate levels, who should be doing some of this lifting for you?"

<u>Lisa Skelton</u> – Since the reorganization, we have a top-down approach. Everybody is headquarters. So that's why my RDOC, my field support, our policy people we're all headquarters, so the focus does start from here in Washington DC.

Before we had the headquarters and then we had the Area and within the Area we had the District, and there were sometimes different operations and different focuses and now it's all solid. It's a great process, in my opinion.

<u>Tom Glassman</u> - Every "Pulse" call and emails on an ongoing basis from industry, I get questions around business reply mail and the measurement.

- How does it measure?
- How do we look at the process?
- How was it flowing?
- What can we do to help?

Jason DeChambeau – Asked Fontell to take as an action item, so he can speak to it intelligently.

<u>Fontell Peart</u> - It's within the four walls. The process is pretty much the same you haven't really changed anything within the operation.

Jason DeChambeau - No change in the way BRM mail is processed in the plants. It's been like that, for many years.

<u>Audience</u> - For some of the larger mailers, they have caller services and a lot of that mail is held out, which means there's no visibility. That's a bit of a problem because we've seen as low as 15% visibility on some of that reply mail coming back because all that mail gets pulled out real early in the process, and then gets expedited.

<u>Rose Flanagan</u> - Take it for what it's worth, but I'm feeling as if the Postal Service doesn't want business reply mail because it's too much of a hassle. This is just this the sense of when people are talking. There are no real eyes on business reply mail.

We just had the conversation about Delivery and all the data that you have on the delivery side now and how many eyes are on delivery. I get the complete sense that, on the business reply side, it's not there.

You have great eyes on delivery, how can we get that same kind of eyes on business reply mail, so that it shows up as, "This is part of a challenge?"

<u>Jason DeChambeau</u> - Can perform research but will need some specific examples that we can drill into. Would rather speak specifically ad not in general terms. We can look at some real-life examples and scrutinize some analytics.

You can funnel information to Tom (Glassman) and Tom will funnel it to Fontell.

<u>Dave Marinelli</u> – Should this go through UG 15? <u>Bob Rosser</u> – User Group 4 is looking into that as well.

<u>Dave Marinelli</u> - Of all the service standard changes, remittance mail was impacted the most because it used to have a two-day standard and now it's subject to the normal First-class standard which is up to five days.

We have been jumping up and down and talking about this for over a year now. One company provided data showing that it would cost them a billion dollars in their float every month for getting payments in later than they normally do so.

<u>Audience</u> – Need to complete the communication loop. Have to make sure that when there are issues in the field, or something that's happening, follow the procedures but make sure there is an accountability piece to close the communication loop.

<u>Todd Black</u> - For Jason, the data is different, and the mail is different for Reply Mail. A lot of people are using fixed IMb's versus mail using a unique IMb. Because of that we're tracking a lot of mail and it is slowing down. It is slowing down beyond the service standards.

Given that the data is different, there are non-unique pieces, how can we look at the data in a way that we can get to the same sense of measurement of success or find where those opportunities are?

<u>Audience</u> - Agreement with Todd, there is a need to have that User Group 15 on Remittance Mail meet more frequent than once a month since there hasn't been any traction.

There's no consistency and when I asked questions about it in the past, the reporting was supposed to change or the logic was supposed to change to make sure all the plus four is to the five-digit.

We've talked about getting visibility on all FIM mail, not just business reply. It's also courtesy reply. Would like to get visibility on days to deliver, especially as the network is changing.

Several years ago, there was a plan to have visibility on nested pieces within the tray so that people who have the caller services/PO Boxes know what volumes coming in. We need the days to deliver/visibility, so that we can plan, and we can staff our remittance sites.

Unlike other product areas there's no one who owns remittance mail. Maybe it needs to have a product owner again.

<u>Jason DeChambeau</u> - We have communicated with the Enterprise Analytics team to provide some data, but we do not have it today.

But in terms of the flow of remittance mail, we still have the FIM program. Until destination, it will be riding along with the other First-class mail. It will not be upgraded to air transportation or anything else. It's going to be treated just like other First-class mail.

When it gets to destination, if there are large remittance sites, we would still have remittance programs, and if it makes sense, and there's enough volume we will continue running that remittance program.

<u>Audience</u> - Phase zero cancellation. That's a point in time, where you know that the mail is starting the first part of going back for just destination. You could apply quasi start the clock type of a methodology there apply to service standard and fill in the expected delivery data.

If you were to look at the origin data on the reply mail, very few pieces attain the expected delivery dates. It's a blank field.

On the positive note, the unique piece ID field, the UPID, that's a real positive. That used to be, maybe 20-25% of the data got that, now it's almost 100% gets a unique piece ID/ UPID which is solves the problem of much of the business reply that uses a fixed IMb for all pieces you're applying uniqueness to.

<u>Audience</u> – You still have the national FIM hold out, but you don't have the FIM "static table" that had the 3-digit pairings that went through the air vs over the road. Does that no longer exist?

Jason DeChambeau – That is correct.

<u>Rick Marino</u> - Can we look at BRM holistically? It is problematic for large mail owners in many other areas as well.

Tom Glassman – I think that goes back to User Group 15.

<u>Audience</u> – (To Jason and Robert) What Todd was mentioning with the unique piece ID is that it says this stuff is riding in these nested containers, I mean is that available to you guys internally?

<u>Jason DeChambeau</u> – I believe it's a "logical" nesting and not actual scanning, but I'm not sure. I'll take it as an action item.

<u>Dave Marinelli</u> - Who is responsible overall for remittance mail? Who should be involved in the User Group? Who should issues be going to?

Jason DeChambeau - It depends on what the issue is.

- If it's a technical issue, it could the Engineering team or the Enterprise Analytics team.
- If it's an operational type of issue that would be me (Jason) and my team.
- If it's transportation logistics, that would be Robert.

<u>Dale Kennedy</u> - As a product, business reply mail is owned by Margaret Pepe and Sheila Marano. Lynn Hallett is the lead on that product.

<u>Audience</u> – I've had several locations that have actually told me personally, that they work business reply mail last and sometimes it will only get processed one to two times a week.

<u>Robert Cintron</u> – Can you send/identify those locations. Nothing operationally has changed. BRM is going to ride with the First-class so it's following the mode matrix.

<u>Dave Marinelli</u> - In Cleveland there are times, where we're only getting things twice a week or so and that's been happening for a while now. we need to make sure that we've got the right people involved in the user group to find out where the issue is.

<u>Tom Glassman</u> – Fontell spoke earlier about the alerts. I asked Jason, if you come in and talk to us about last-minute alerts, where can we have some give and take with trucks on the road when the facility goes down due to power or some other issue.

- Can FAST to reach out to appointments within a specific time frame, say 12 hours to let them know that they're being diverted?
- Due to climate changes and electrical systems, can we look at some sort of plan for a lastminute alert for events not planned for?

<u>Jason DeChambeau</u> – Has concerned with the alerts since you cannot gauge the length of time power will be out in a plant. It can be 15 minutes, or it can be two days.

There's a different problem when you divert trucks prematurely. Only if there was solid knowledge of an extended down time would we want to divert trucks

Tom Glassman – Could we use the FAST Helpdesk for issues?

<u>Robert Cintron</u> - I think what Jason saying is we don't know that answer yet so having FAST call people and start diverting trucks may cause mail that belongs in this building to divert to a different building.

I believe it is a timing issue. At what point do we start diverting? Maybe that something we could go back and take a look at and determine after "X" we should already be diverting if that makes sense. I think we're not going to know immediately util we get some feedback from the local power grid.

<u>Audience</u> - When this just recently happened with the DC facility, you did a planned power outage, but you did not lock FAST. You allowed mailers to make appointments for there.

You then put out an "Industry Alert" saying we're going to have a planned outage and I contacted FAST and said, "can you please contact the people who already have appointments there?"

I informed the FAST Helpdesk that we don't have access to that information, and I didn't get a response. We had drivers who had appointments, who showed up at the facility and didn't get unloaded. Who can contact the scheduler, drivers, etc. when that occurs?

<u>Robert Cintron</u> – There must have been a "disconnect." We should have locked you out of FAST. When there is a planned outage, we know well in advance. That's a takeaway for us/Fontell, that as soon as we know, we have to lock the system/FAST. We should be redirecting if needed based on how long that facility is down.

<u>Audience</u> – Putting out an industry alert, that's good but for those appointments already in FAST, can we have a process where somebody has access to say, these 10 appointments are set up, here's the scheduler, let's send them an email or call them.

<u>Tom Glassman</u> – Can we turn this back to the FAST User Group to propose an enhancement to FAST? I'll turn this back to Deb Damore and the User Group.

<u>Tom Glassman</u> – I keep getting questions about network operations. What is it like today, what is happening, tomorrow? I keep getting questions about the FSS.

- Has it been taken down?
- What's coming to run that mail?
- What are the standards around that new process?

<u>Jason DeChambeau</u> - A year ago we had 100 FSS machines across the country in 42 different sites. We have removed 20 of those thus far. It's all been based on volume reductions so we're not pulling anything off of FSS. The Engineering team developed a tool where we're compressing it, which basically eliminate some of the delivery points.

We are assessing flat volume as it continues to decline. The FSS machine is a very big footprint machine and is extremely large and as I discussed yesterday, space is very valuable to the Postal Service. As the volume drops there becomes a point where processing on FSS becomes "underwater."

There's going to be a continued decline or removal of FSS machines. Some of that volume will end up going back a bundle type or maybe walk sequence type bundle.

<u>Audience</u> - Quick question. So, for those delivery points that you've excluded from that ZIP Code I'm assuming that ends up going to divert bin or whatever, and then manually process it. Does that fall under and get counted towards "leakage?"

Based on that, one thought I had was if industry had that data and could exclude those pieces from FSS prep, is there an opportunity to be more efficient around it?

<u>Jason DeChambeau</u> - I'm not 100% positive on the sortplan or if the addresses remain static, but it's something worthwhile to look at.

Note: There is no list of removed FSS ZIP Codes. Specific addresses/delivery points (low volume) that are removed from the sortplan. Less FSS machines running the same ZIP Codes.

<u>Tom Glassman</u> - I've had probably 11 to 12 requests around service standards broken by day and anything that is six plus. Is it possible to get the reporting broken down by days?

Robert Cintron - Steve Dearing/Enterprise Analytics should be able to provide that data.

<u>Audience</u> - Just add on that one of the missing opportunities too is a looking at the same information by facility type. That's a really good return on investment too since there's going to be so much change in the mail network. STCs, regional P&D Centers. etc.

<u>Audience</u> – Additionally, we don't necessarily know what the Critical Entry Time is other than the BMEU hours. I mean you don't post what our Critical Entry Time is.

<u>Tom Glassman</u> - As an MSP I'm going to make a suggestion. You need to disconnect the Critical Entry Time from your FAST appointment time - one has nothing to do with the other. The trucking and logistics industry wants that appointment in the middle of the night because there's less traffic and it's easier to get into the dock.

<u>Deb Damore</u> – There is a Critical Entry Time in FAST. In your resources you'll find the National Critical Entry Time listing by class.

<u>Tom Glassman</u> – I don't want to belabor the point, but I'm trying to set up ground rules around the Industry Connect Dashboard. What is reasonable, so that when MTAC team decides what to do and where it goes.

Some sort of reporting is imperative. With Todd's help we have documented proof that there's a lot of arrival times a minute two minutes before the unload time. Deb has asked through the User Group, if you see that, report it to the FAST Helpdesk so we can start to track the tickets and determine how big a problem, it is.

Again, I'm looking for a cooperative effort. How can we fix that?

- Is it through reporting better?
- Reporting to the FAST Helpdesk?
- Is it the Bob Rosser or GPS project where data is automatically flowing and that this problem will go away in a year?
- What limits are there in future development of the dashboard?

<u>Fontell Peart</u> - I think exactly what you're seeing, I think we get into a place and talk that through whatever can be added, or whatever can be adjusted.

<u>Todd Black</u> - I think there's some collaboration we should do through DTAC and MTAC since there is no need to redo the work that's been done.

<u>Fontell Peart</u> - Todd is right, so the key thing that's there's been an ongoing piece about the truck arrival. I think that's why it's a good thing that the GPS component that should eventually happen.

<u>Kurt Ruppel</u> - So for marketing mail letters I think we were looking for an update on the MTE User Group, which I think we had yesterday.

<u>Audience</u> - The PCSE he is going to be looking at potentially offering exceptions to prepare mail well in advance of the "peak" fall mailing season. That's going to completely change the profile usage of pallets since you're going to have some mail that's going to be prepared potentially as early as June and July for mailing in October or November. That's going to swing the empty usage where you're going to have a lot of consumption occurring.

<u>Robert Cintron</u> - So then, when we truly need to move equipment we've got it, we've got it readily available. It should be by exception; we should get that information and then we can make sure that we provision them in advance. That information should go to Joe McPherson.

Tom Glassman - Robert also wants to know where it's being dropped and when.

<u>Dave Marinelli</u> - Two things on MTE - remind people look at the quality of the empty coming out because we know quality continues to be an issue. Secondly, where are we with network redesign?

• When it's going to roll, region by region, facility by facility, etc., because we want to be able to measure that and we want to be able to see if there are things that we need to do in our processes to change.

<u>Robert Cintron</u> - There's not any major redesign that is going on. The networks are the same. The only thing we're really doing and we've been doing since October is a shift of the load matrix based on service standards so we've.

We've been very methodical on moving mail from the air to the ground networks, STCs have been stood up in the network don't expect any changes from them, certainly not this calendar year. I don't see any major redesigned in the network

<u>Dave Marinelli</u> - Is there a listing of when those moves are happening off of "air" and onto "ground" transportation?

<u>Robert Cintron</u> - I'll find out where we're provisioning that. I know there's a lot of work with the groups especially around CSA is as it relates to the First-class. I'll find out where we're posting or where they have updated it so that everyone should be able to take a look at what's happening with the load matrix.

<u>Eric Kisgen</u> – What about the future state of FSS? When would you be able to publish your plan for the remainder of the targeted FSS machines? I know that there was a labeling list change mid-March for New York and I think Rochester was part of that.

My question is, "When can you share what the future plans are for labeling list changes that have effects on periodical flats?" Mostly because we have a bundle charge that will be increasing. Those of us that are in the periodical flats industry will have to budget for the increase in postage and we'd like to be able to forecast that to a certain degree, based on what your projected plan is.

<u>Jason DeChambeau</u> - I'm not able to share that right now. We're working with Delivery Operations right now since it impacts them as well. As soon as we do make decisions to change, or to move from an FSS type processing to the "pre FSS" environment, then we will definitely advise the industry as well.

Note from Eric Kisgen – In PostalPro, if anyone goes to Inform Visibility under the "Reference Materials" there's a valuable document called machine counts by site. It lists a full inventory of every processing machine in the facility.

If the Postal Service doesn't have an owner of that particular resource, that would be extremely valuable to keep updated.

Jason DeChambeau – Will research to find who created the file(s) and to make sure it is updated.

<u>Roger Franco</u> - I just wanted to ask about containers scanning 99Ms. We've seen a drop off in the in the scanning of 99Ms and we're being asked to provide nesting by the Postal Service.

However, we're not seeing the same kind of effort on the Surface Visibility side and we're working with you guys directly but as an industry, I think that it needs to be raised so I'd like to ask for you guys to look into that please.

<u>Robert Cintron</u> – If you have specific locations, please send that information. I'll follow up with Fontell's group since you shared some of the data with him.