

2012 FALL MAILING SEASON READINESS

August 8, 2012



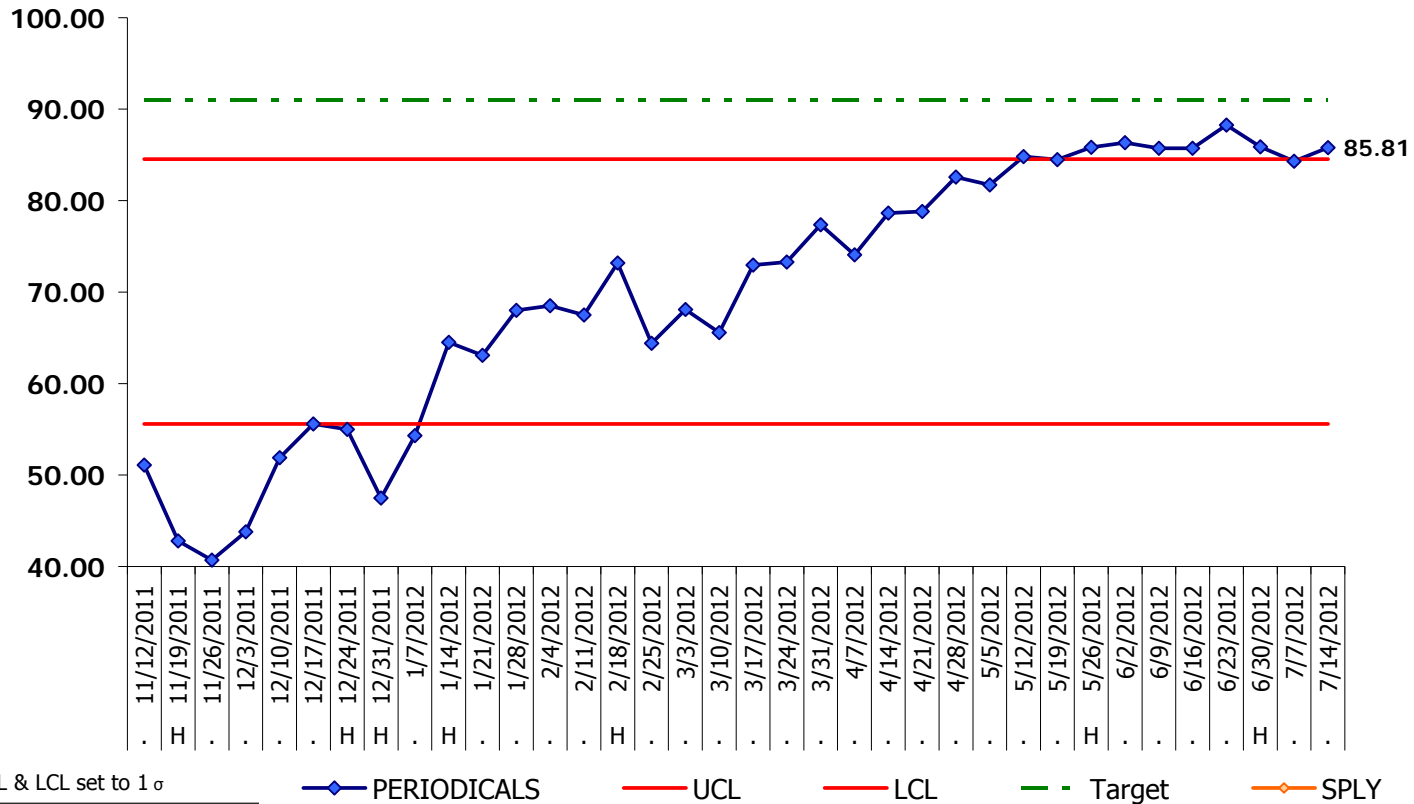
Agenda

- **Service Performance Trends**
- **Network Rationalization**
- **Actions Taken in 2012**
- **Drop Ship Profile**
- **Equipment updates**
- **Projected volumes**
- **MTE**



Periodicals Mail Service Trend

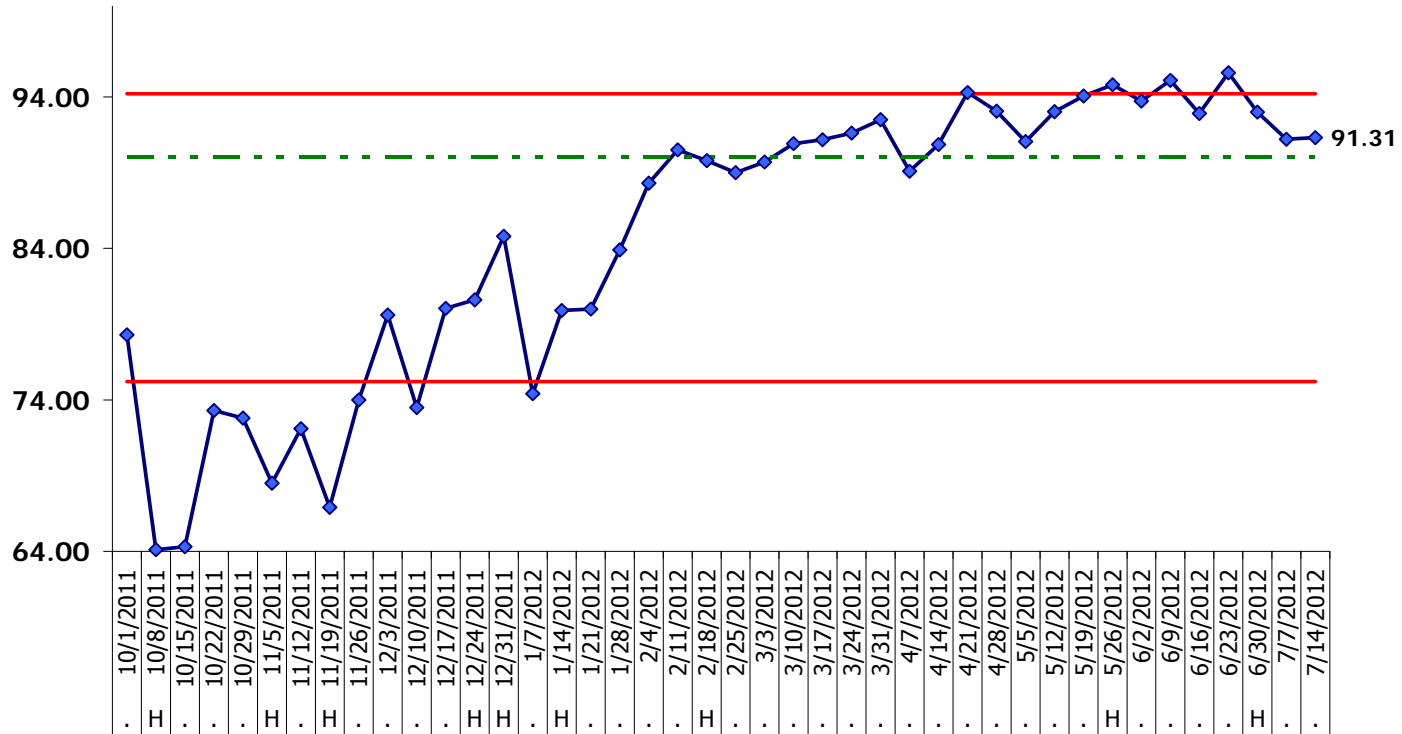
PERIODICALS
Service Trend Control Chart



Standard SCF Letter Mail Service Trend

STANDARD SCF LETTERS

Service Trend Control Chart



UCL & LCL set to 1σ

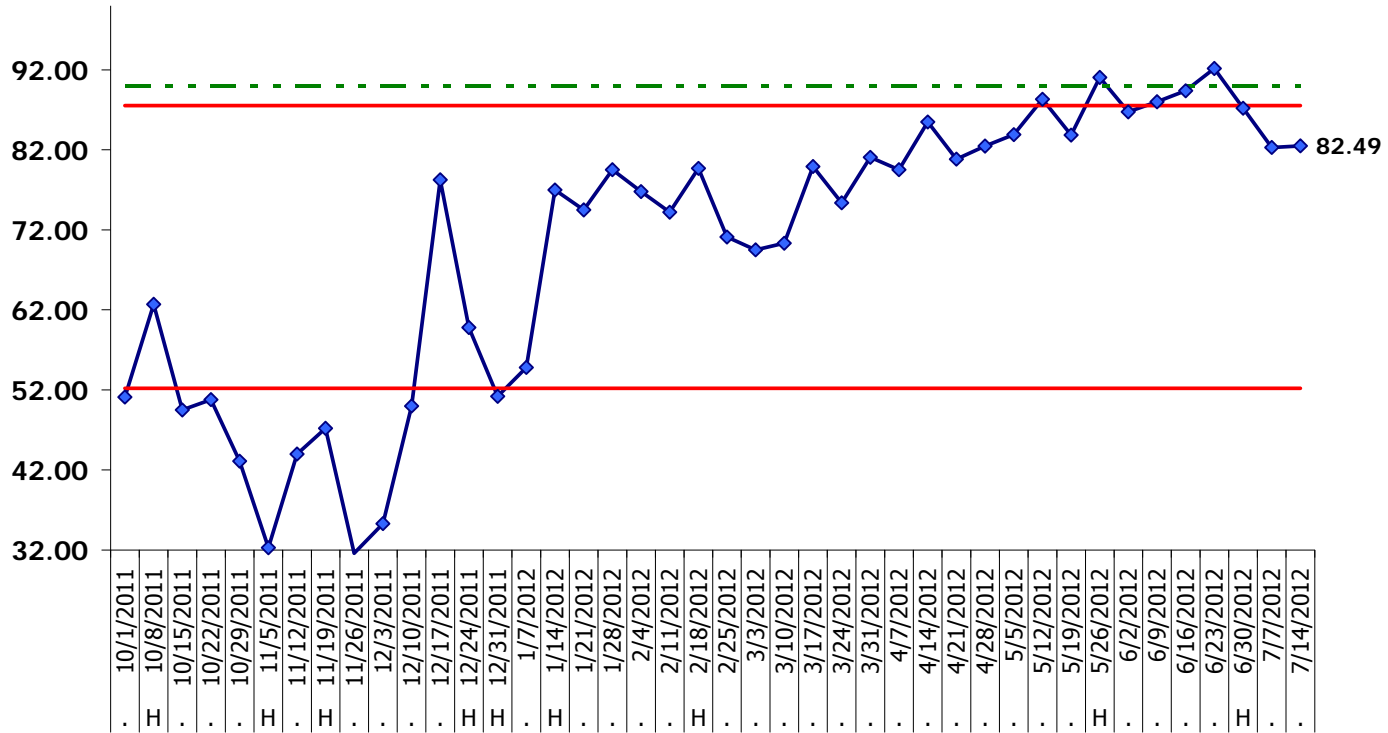
◆ STANDARD SCF LETTERS
 — UCL
 — LCL
 - - Target
 ◆ SPLY



Standard SCF Flat Mail Service Trend

STANDARD SCF FLATS

Service Trend Control Chart



UCL & LCL set to 1σ

◆ STANDARD SCF FLATS
 — UCL
 — LCL
 - - Target
 ◆ SPLY



NETWORK RATIONALIZATION UPDATE

July 1, 2012 Service Standard Change - Implementation to Date

	Full Consolidation	Originating Only	Destinating Only	Total Completed
To be completed by August 3 rd	8	6	13	27
To be completed by August 31 st	10	3	6	19
Total	18	9	19	46



EARLY WARNING SYSTEM

Flawless Execution

Early Warning System

Recovery “Tiger Team”

Tools &
Processes in
place to ensure
Seamless
Service
Performance

- Early warning system in place
- Mail move plan updated bi-weekly and posted on RIBBS
- Constant communication with the mailing industry
- Site Intervention based on EWS
- Feedback system in place to address customer issues



NETWORK RATIONALIZATION CUSTOMER FEEDBACK

- **Minimal Impact - 7 reported nationwide**
 - **MTE Backflow Stabilization**
 - **Transition Of Postal Supplied Transportation For Customer Mail Pickup**
 - **Customer Implementation Of Specific Label List Changes**
 - **Customer Transitional Issue With New Drop Shipment Locations**
 - **Customer Transitional Issue with Service Standard changes**



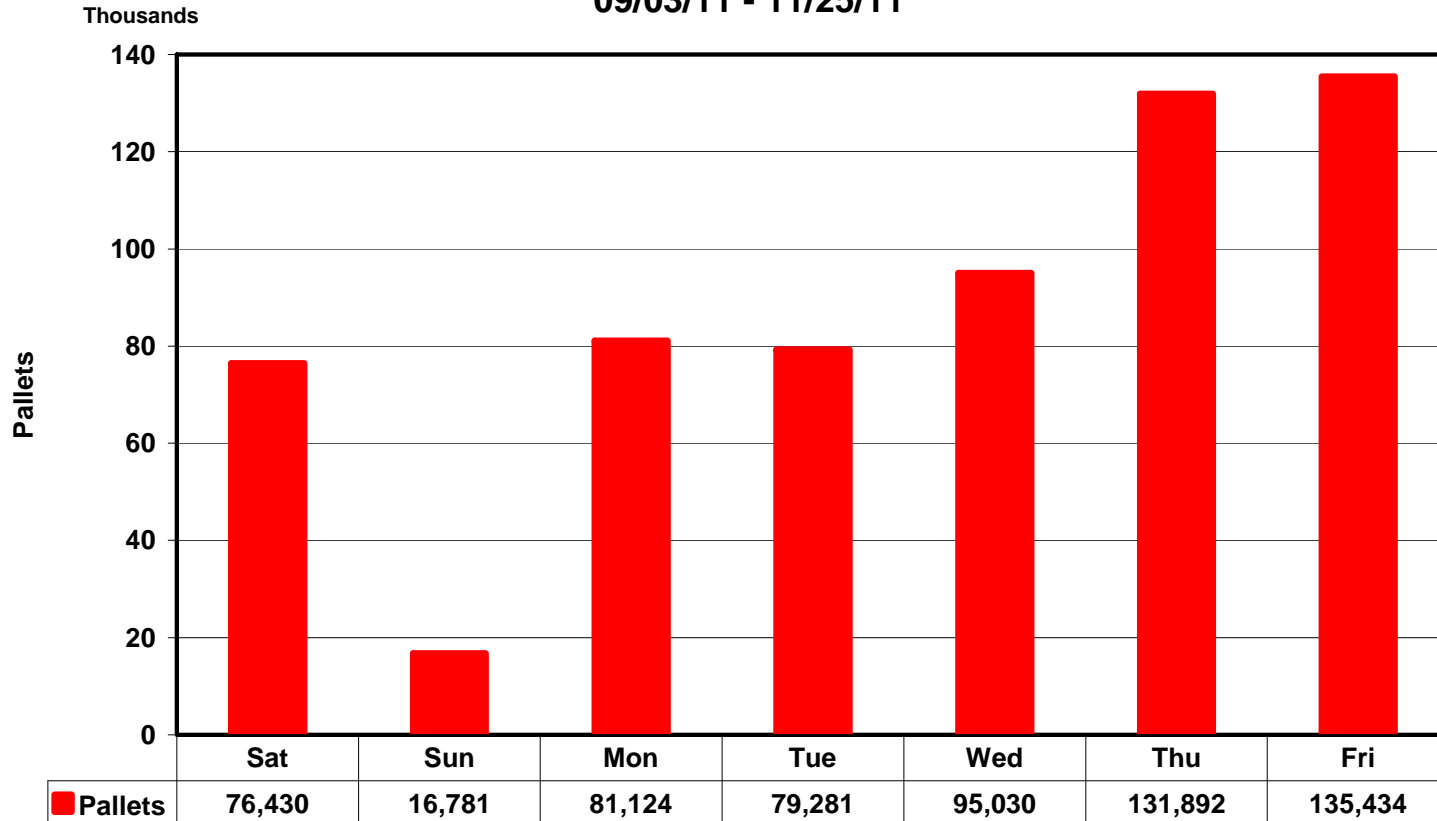
Actions Taken in 2012

- **Sort Programs and staffing plans developed around historical heavy drop days**
- **National mail conditions monitored daily**
- **Color code training all supervisors and craft employees**
- **Utilization of the Service Performance Measurement (SPM) tool**
 - **Increased Visibility to assess service problems**
 - **Reduce Work in Process (WIP); process cycle time**



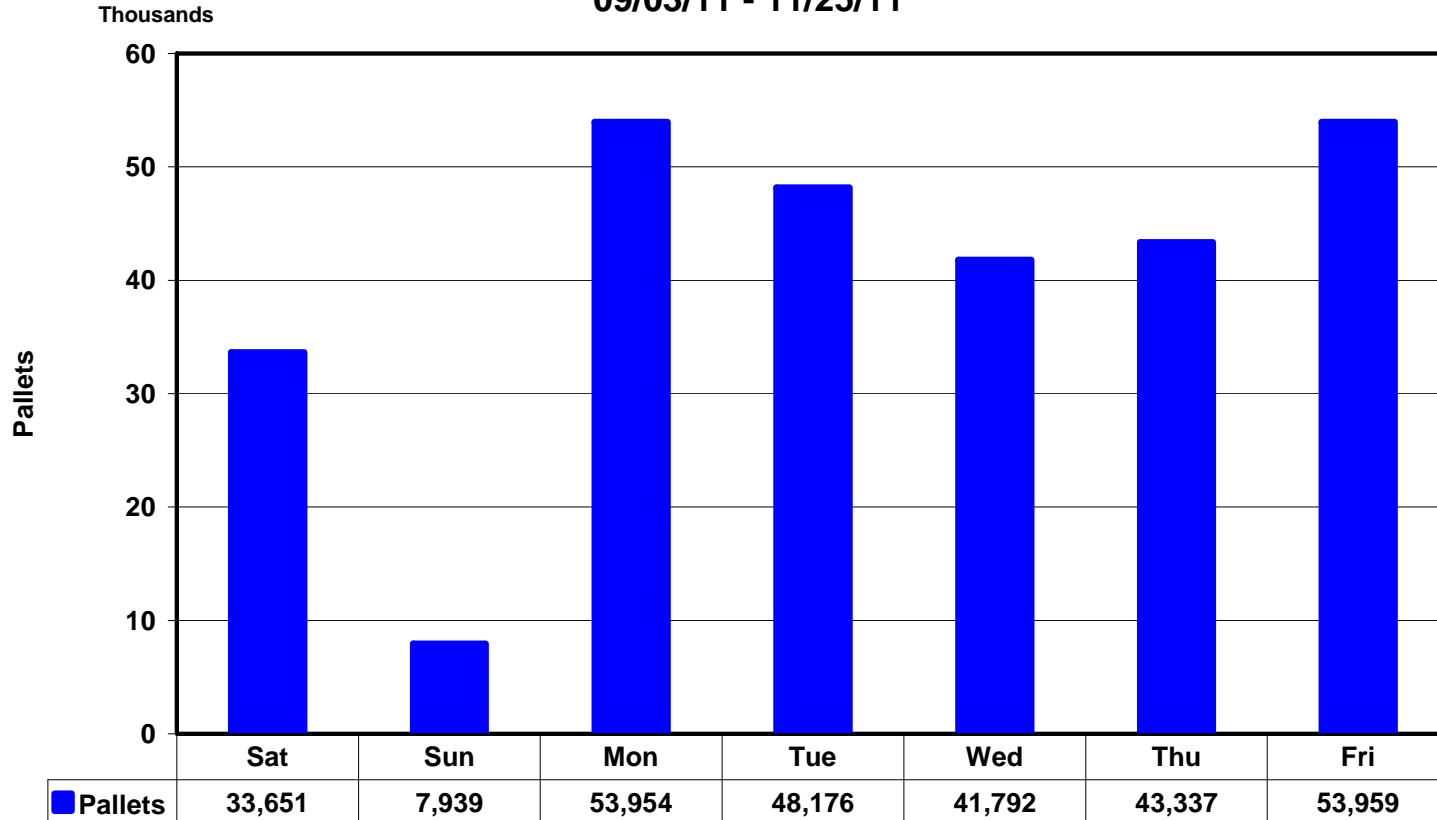
Average Daily Flats Pallets by Day of Week

Average Daily Drop Ship Flats Pallets
09/03/11 - 11/25/11



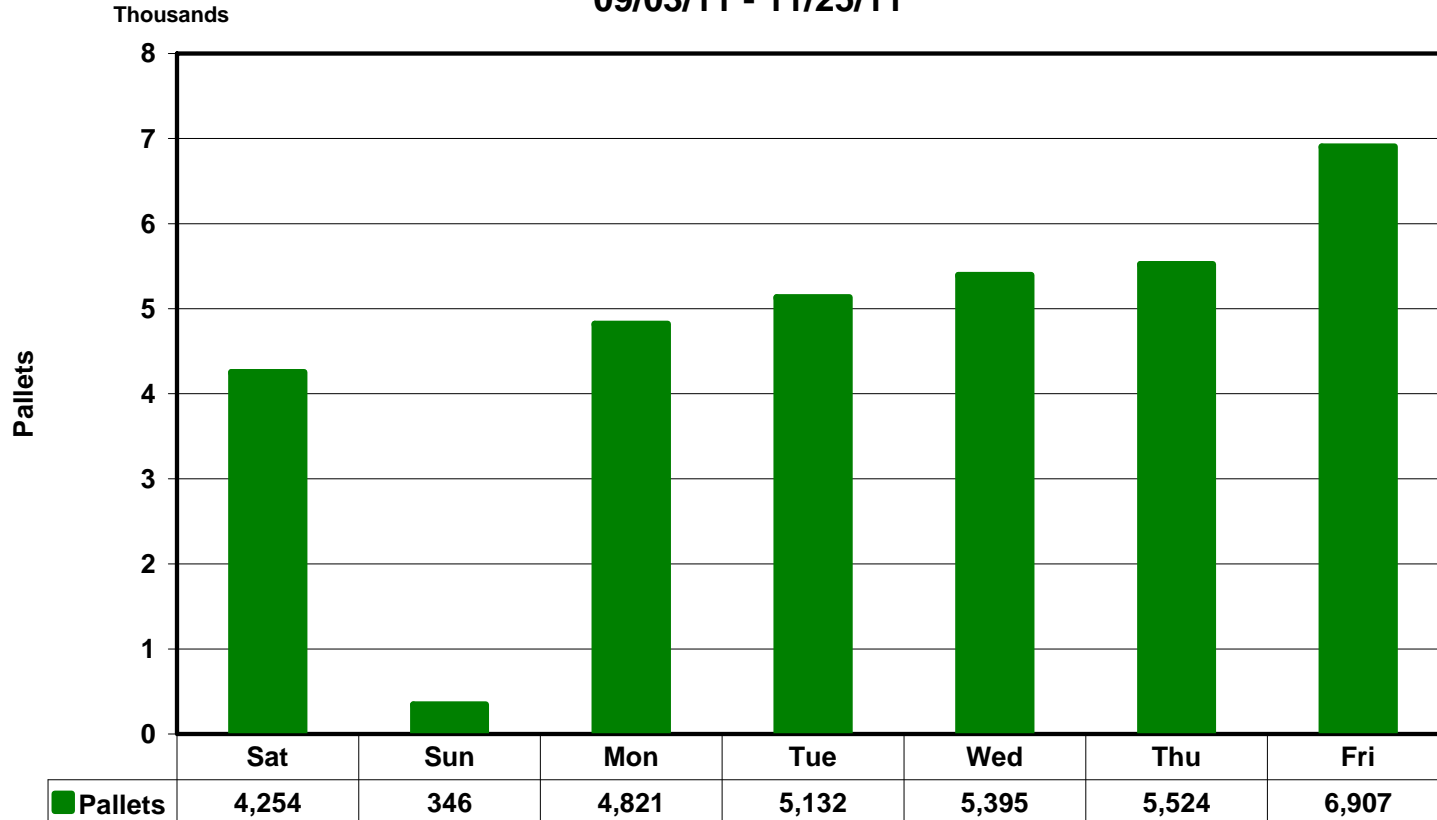
Average Daily Letters Pallets by Day of Week

Average Daily Drop Ship Letters Pallets
09/03/11 - 11/25/11



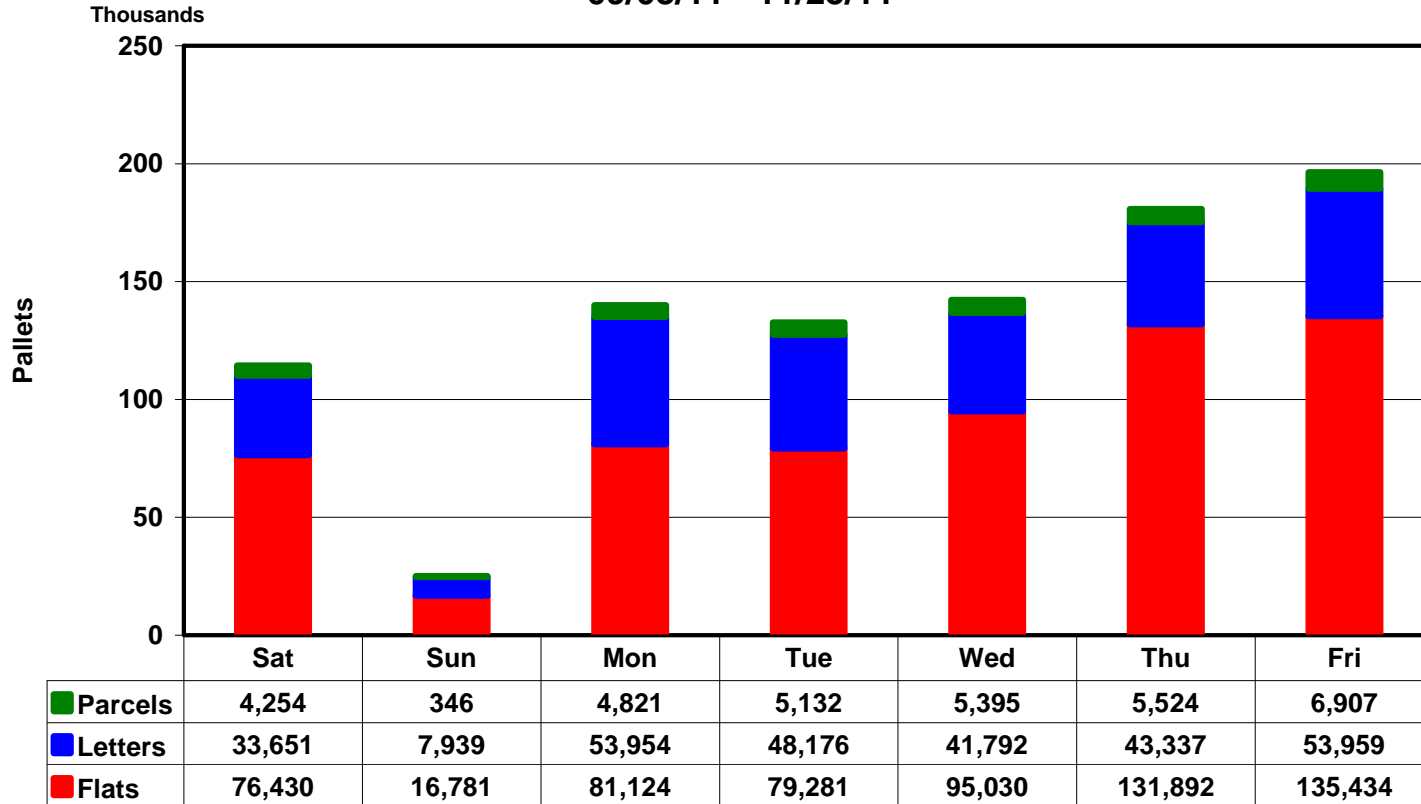
Average Daily Parcels Pallets by Day of Week

Average Daily Drop Ship Parcels Pallets
09/03/11 - 11/25/11



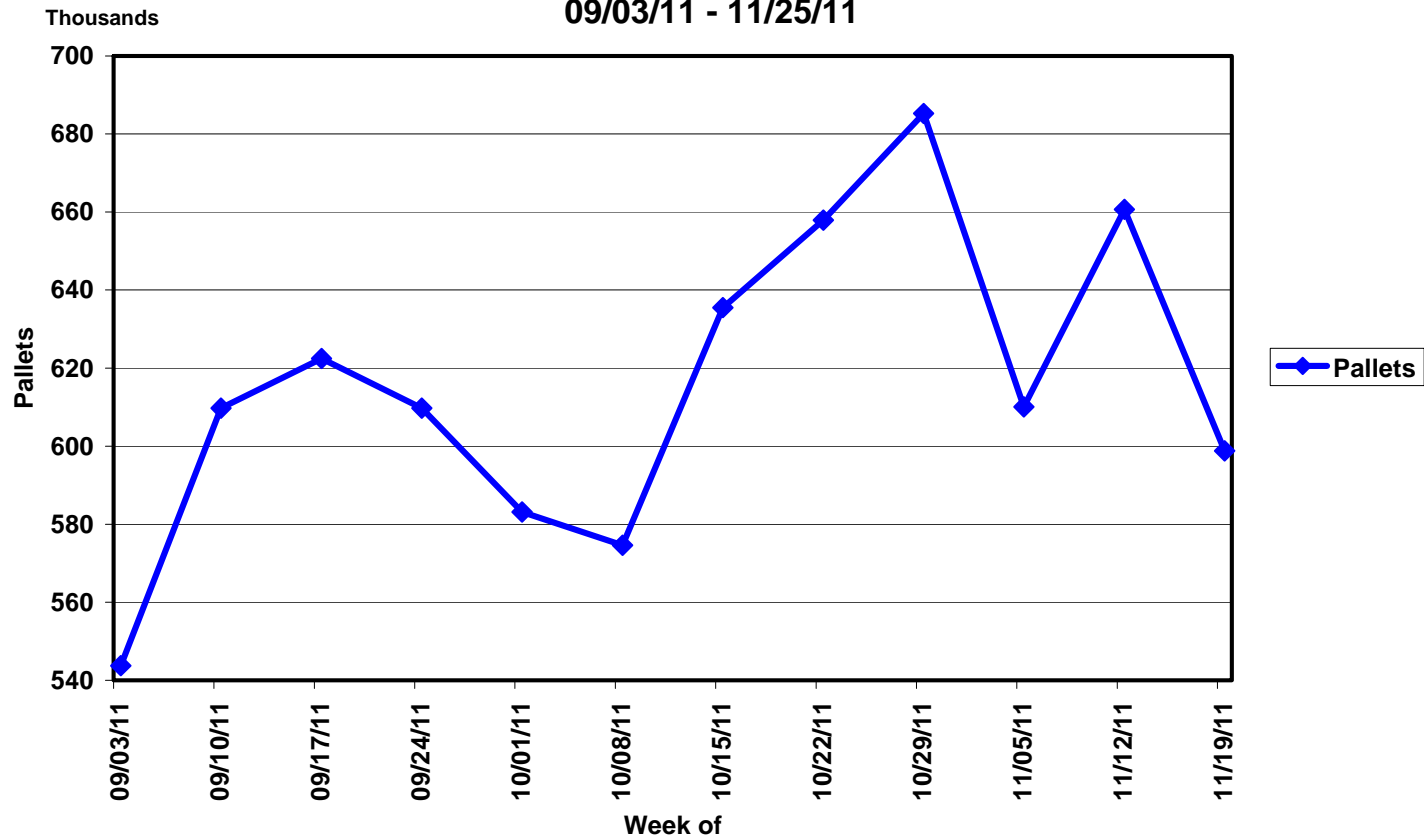
Average Daily Pallets by Day of Week

Average Daily Drop Ship Pallets
09/03/11 - 11/25/11



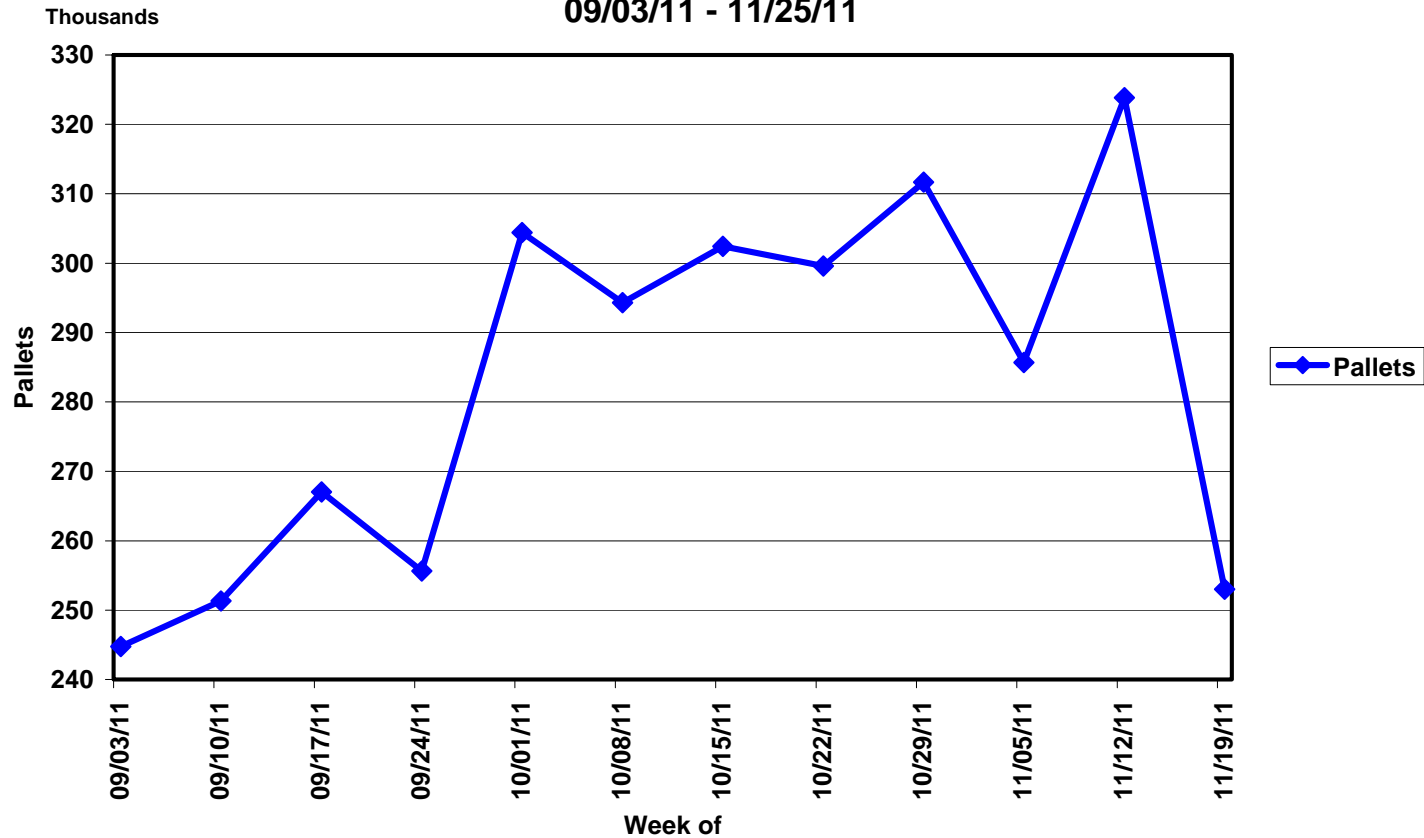
Flats Pallets by Week

Flats Pallet Drops by Week
09/03/11 - 11/25/11



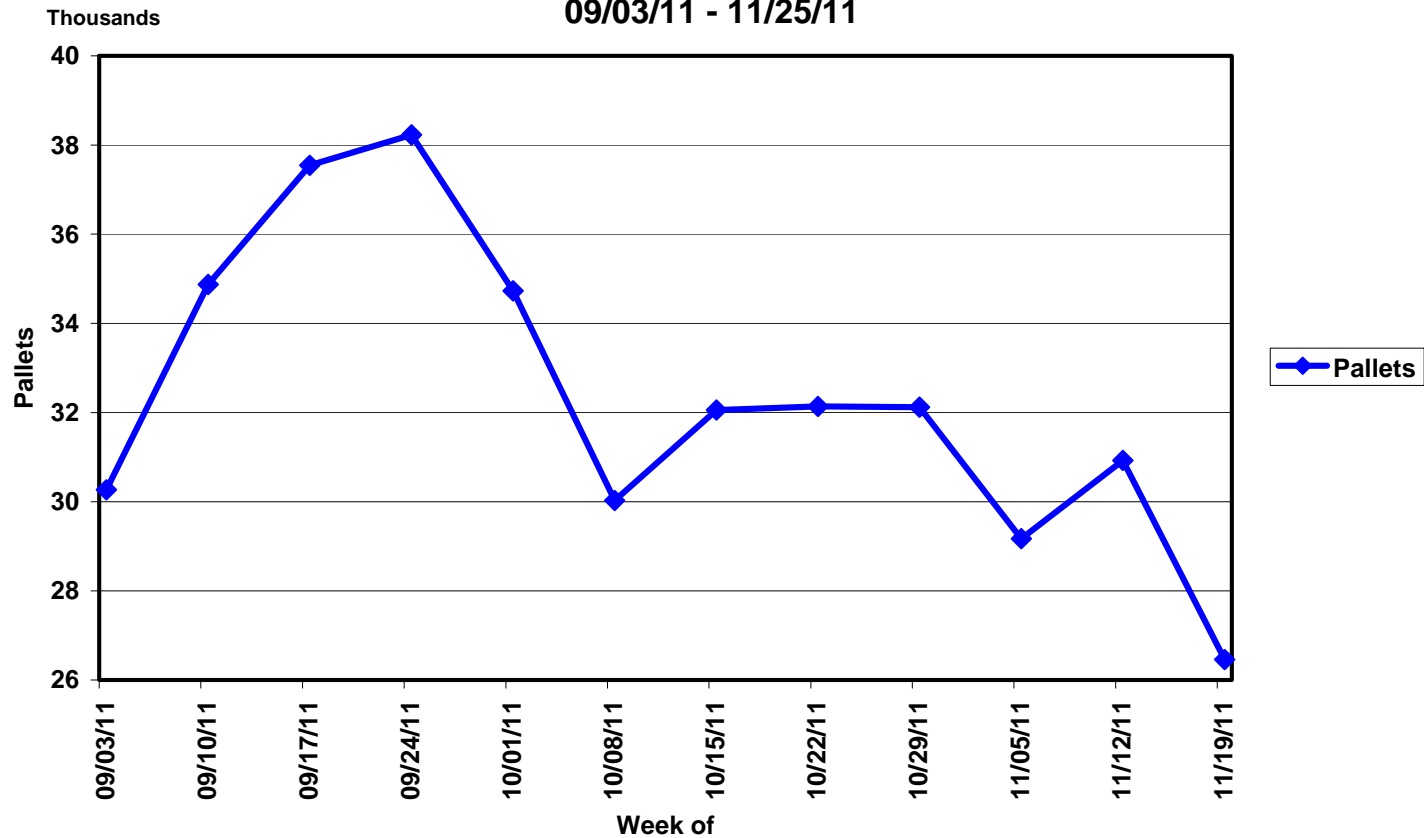
Letters Pallets by Week

Letters Pallet Drops by Week
09/03/11 - 11/25/11



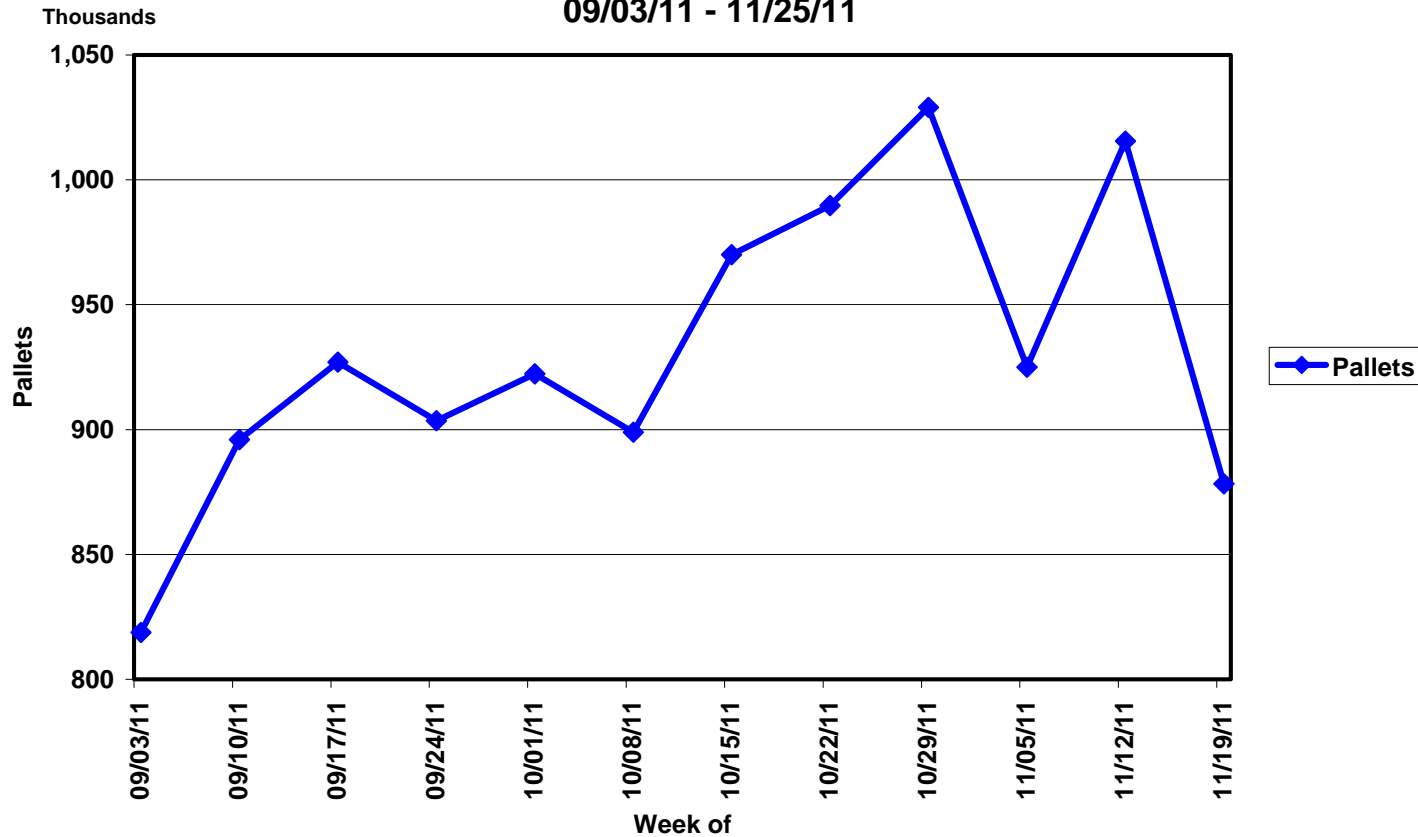
Parcels Pallets by Week

Parcels Pallet Drops by Week
09/03/11 - 11/25/11



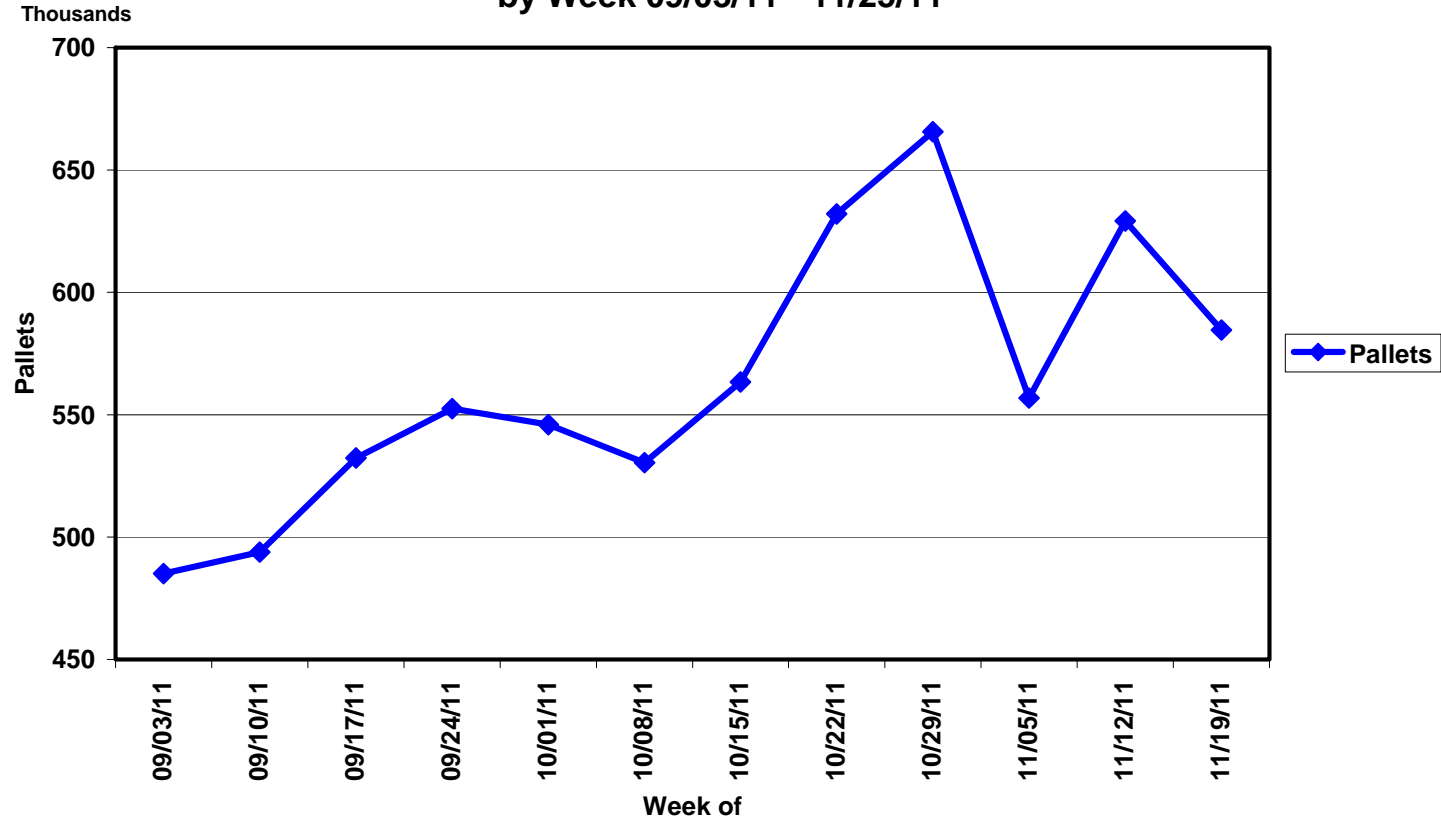
Total Pallets by Week

Total Pallet Drops by Week
09/03/11 - 11/25/11



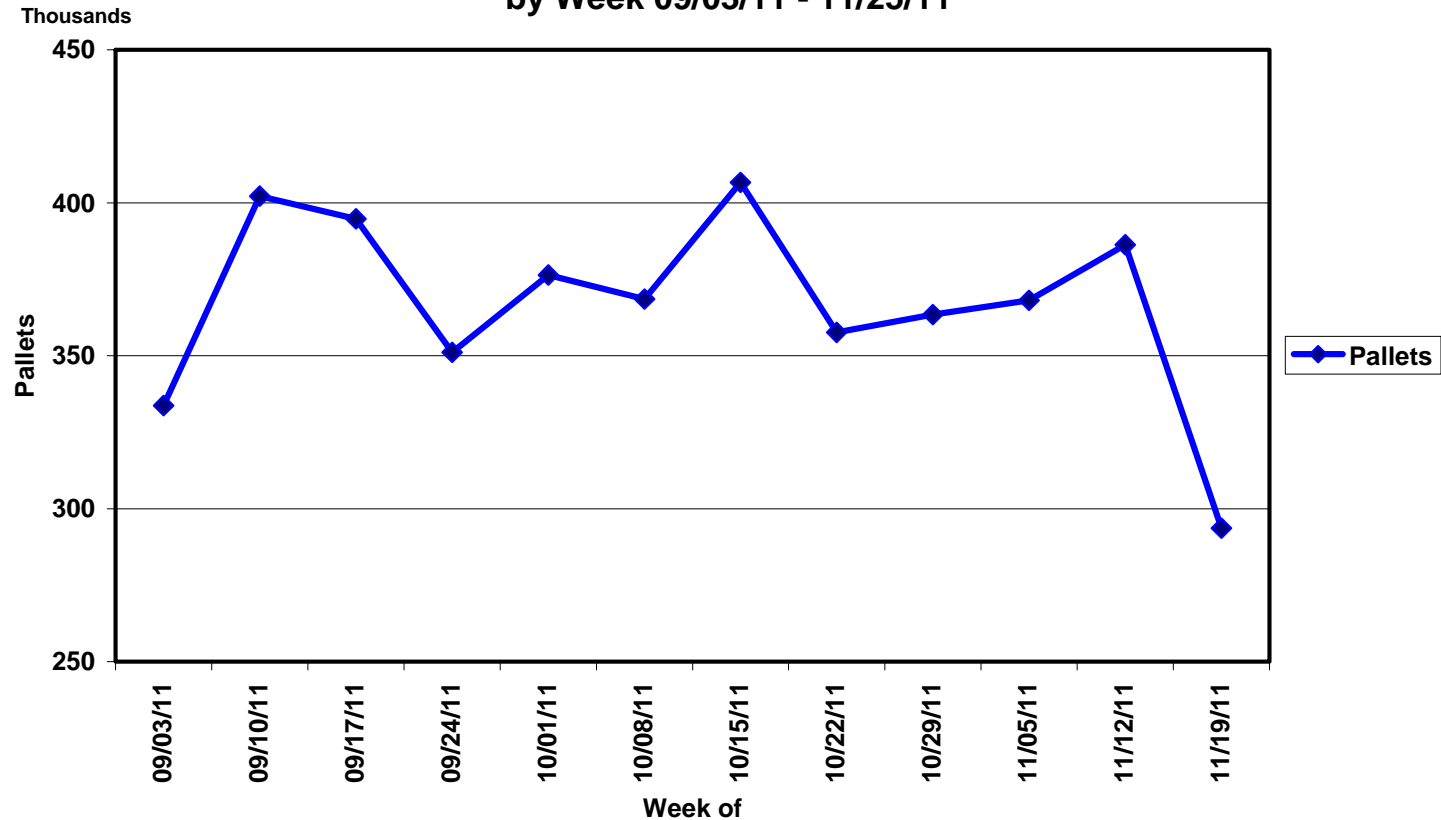
Standard Mail Pallets by Week

Standard Mail Drop Ship Pallets
by Week 09/03/11 - 11/25/11



Periodicals Mail Pallets by Week

Periodicals Mail Drop Ship Pallets
by Week 09/03/11 - 11/25/11

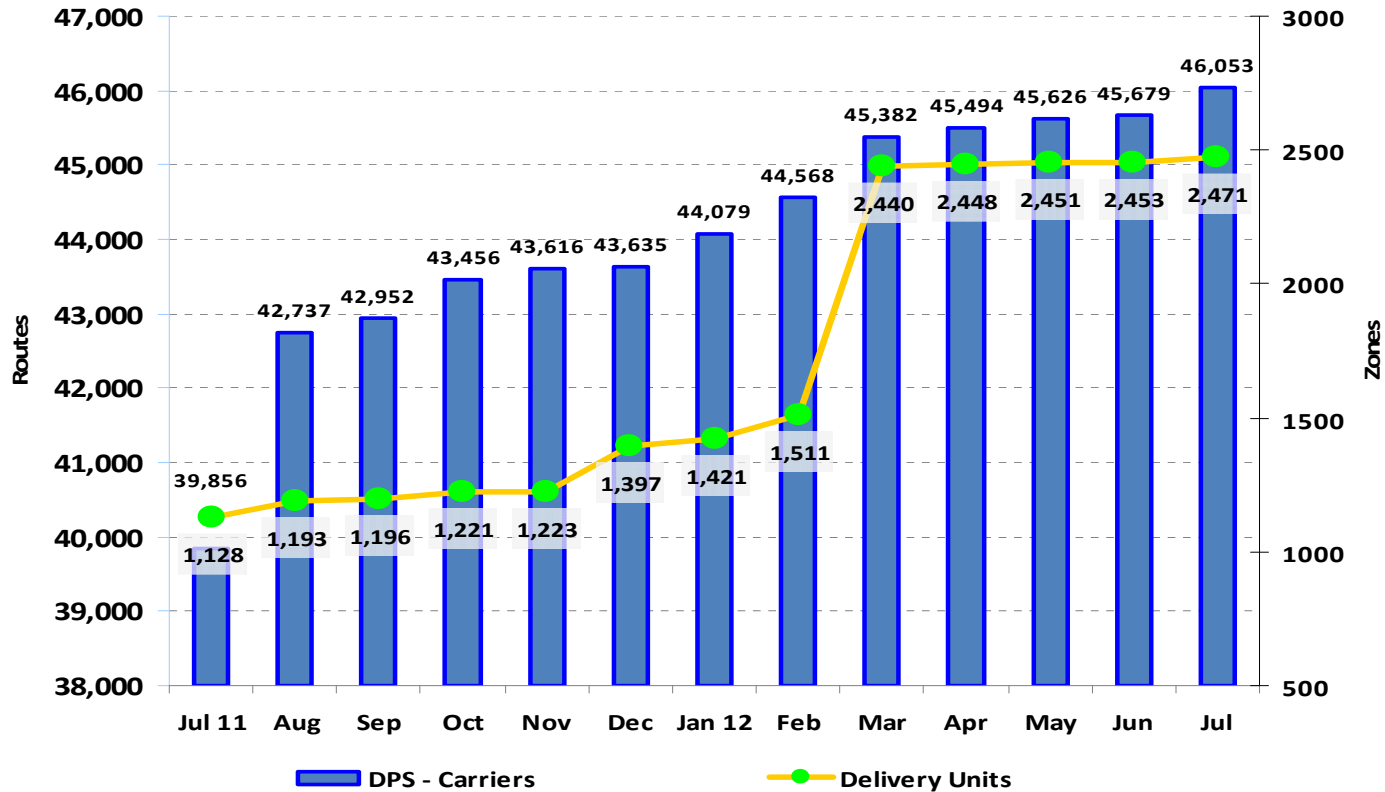


- **Tiger Team Reviews**
 - **Completed 43 full reviews and 22 follow-up reviews**
 - **4 sites remaining to be completed in August, 2012**



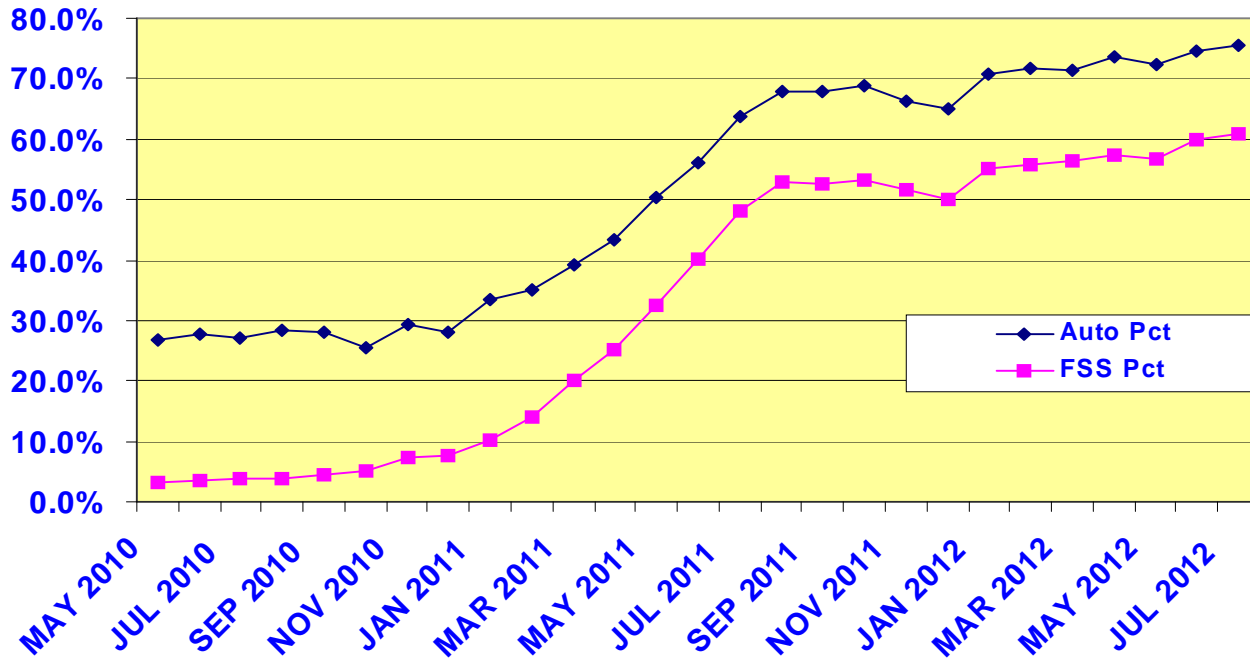
FSS Update

FSS Carriers and Delivery Units

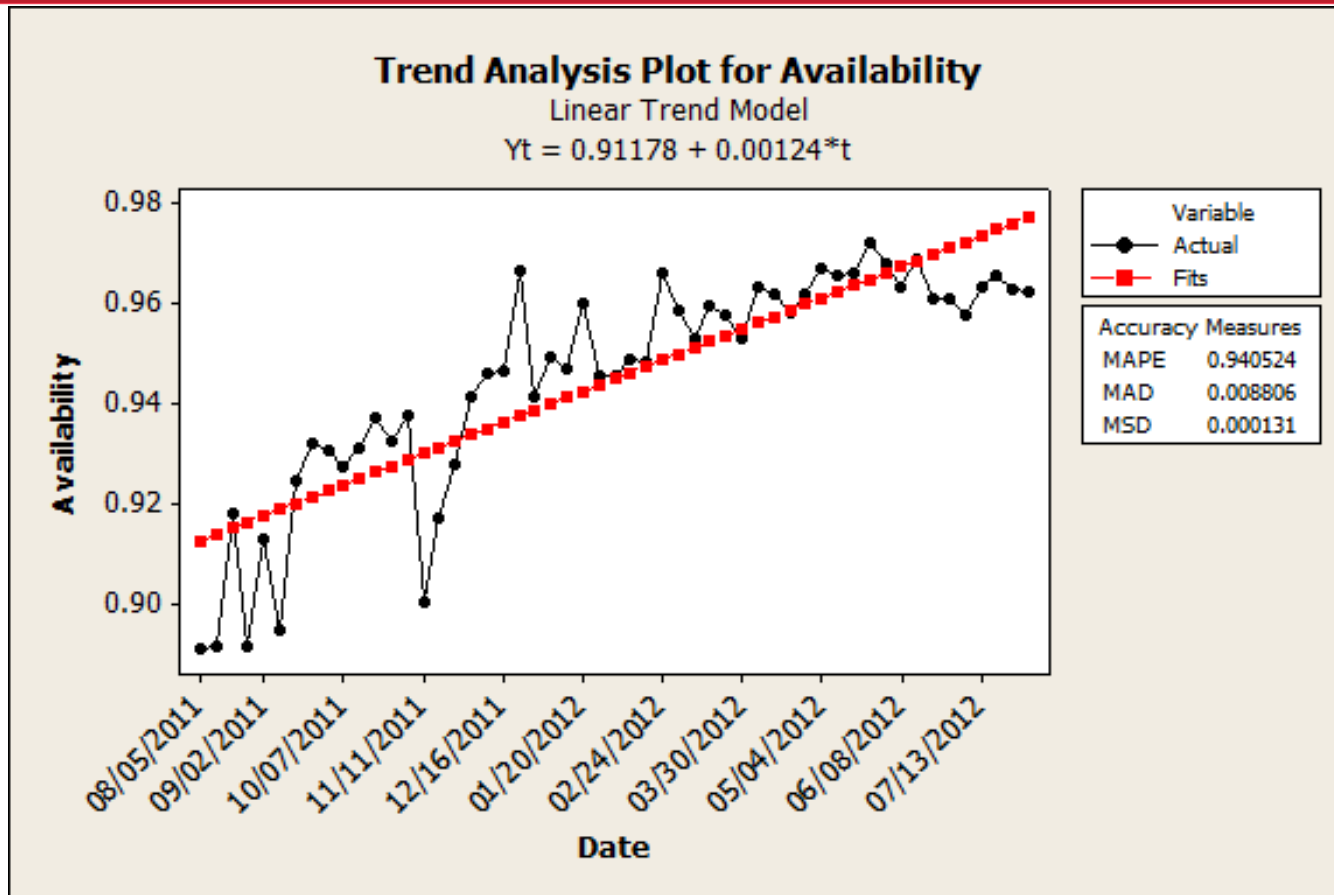


FSS Update

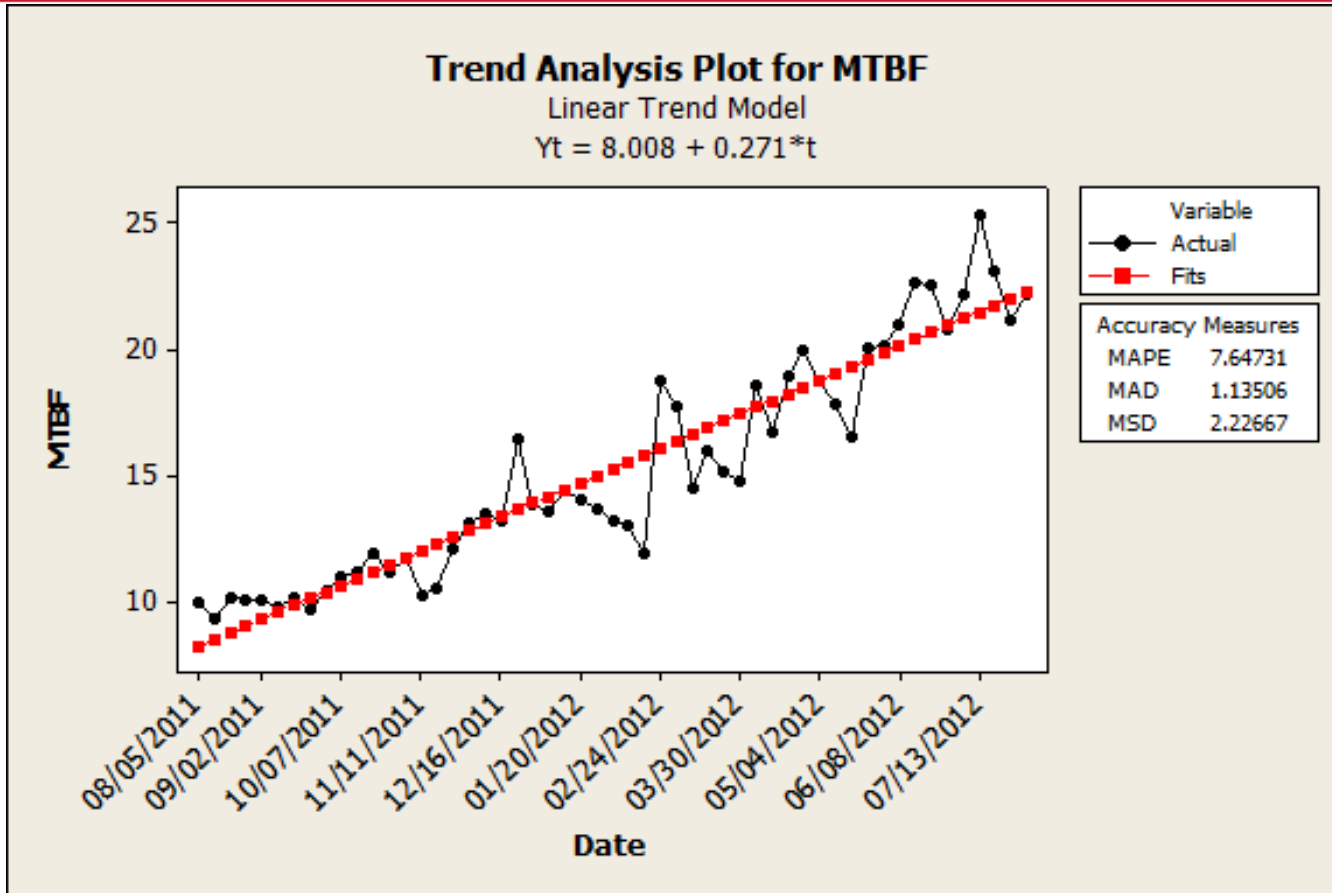
Flats Automation Trend



Availability Trend



Mean Time Before Failure (MTBF) Trend



Automated Parcel and Bundle Sorter (APBS)

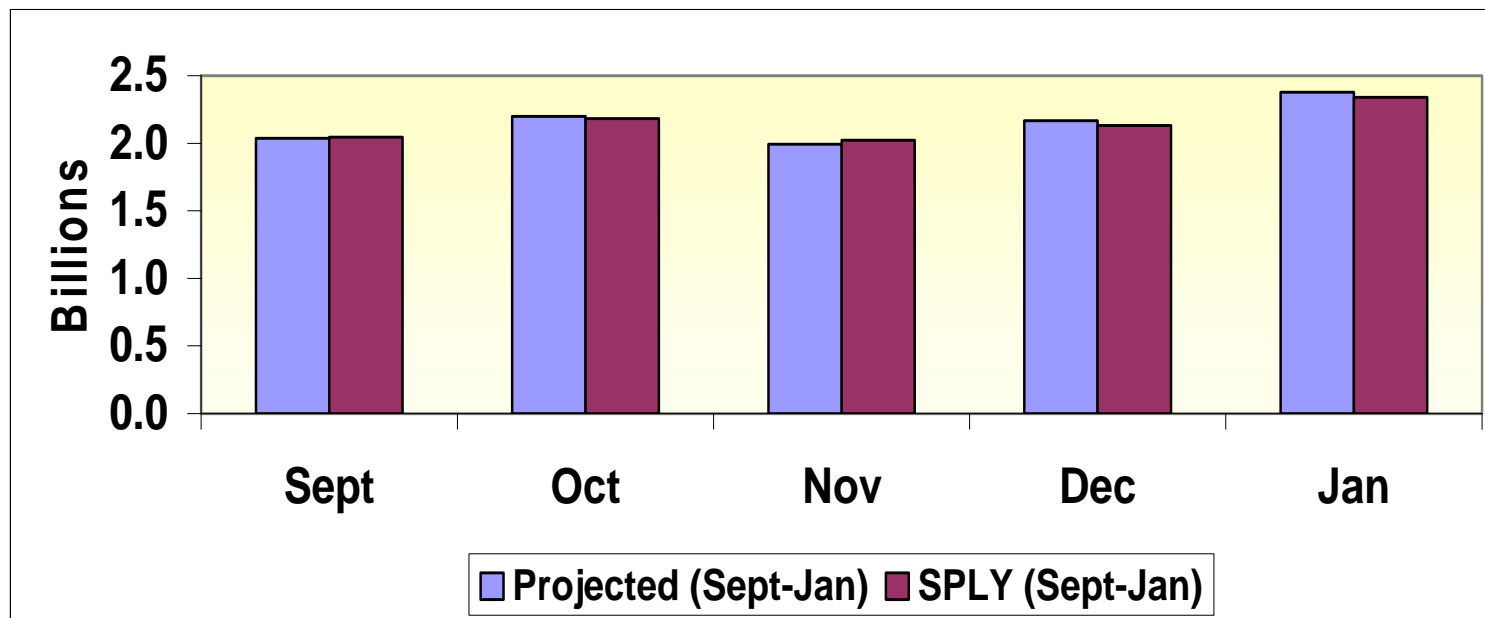
- **APBS Deployment**
 - # of APBS's Fall 2011: 110
 - # of APBS's Fall 2012: 194



First-Class Mail Projections

FIRST-CLASS* MAIL VOLUME HOLIDAY VOLUME FORECAST (Sept 2012-Jan 2013)

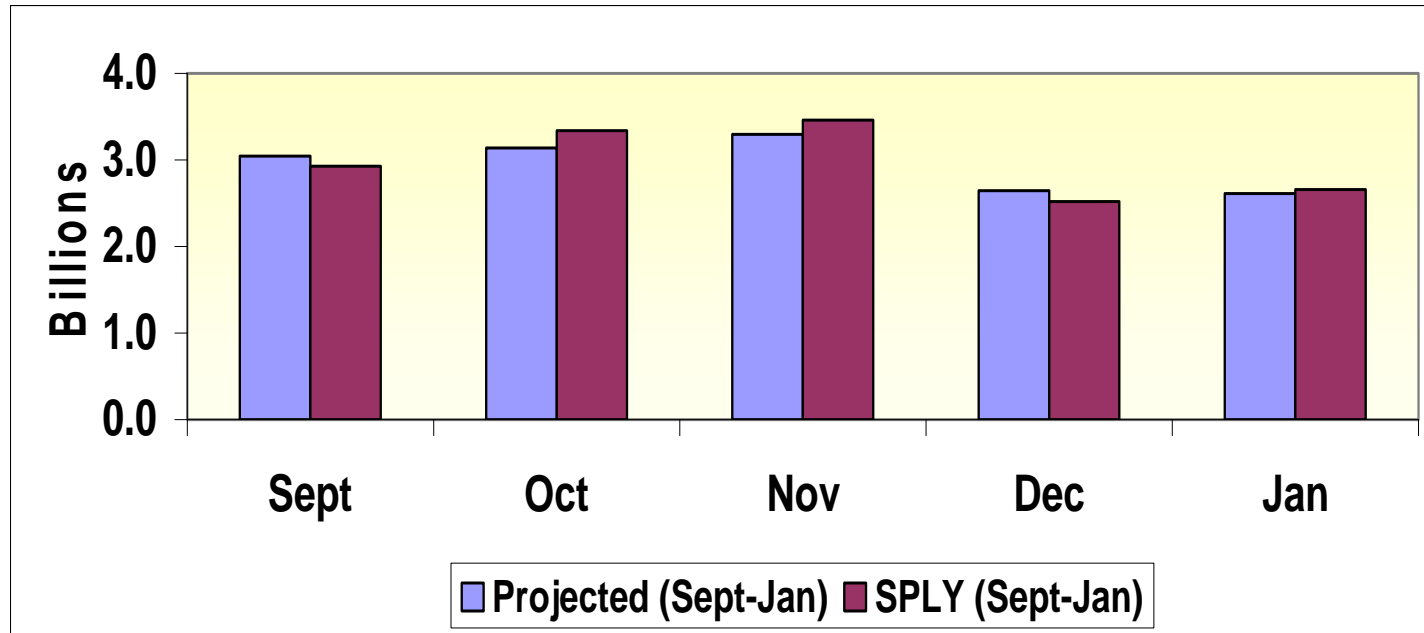
Time Frame	Sept	Oct	Nov	Dec	Jan	Total
Projected (Sept-Jan)	2,036,389,438	2,199,707,131	1,994,282,911	2,166,040,912	2,378,819,492	10,775,239,884
SPLY (Sept-Jan)	2,046,195,969	2,183,769,656	2,022,286,001	2,130,615,388	2,341,364,887	10,724,231,901



Standard Mail Projections

STANDARD MAIL VOLUME HOLIDAY VOLUME FORECAST (Sept 2012-Jan 2013)

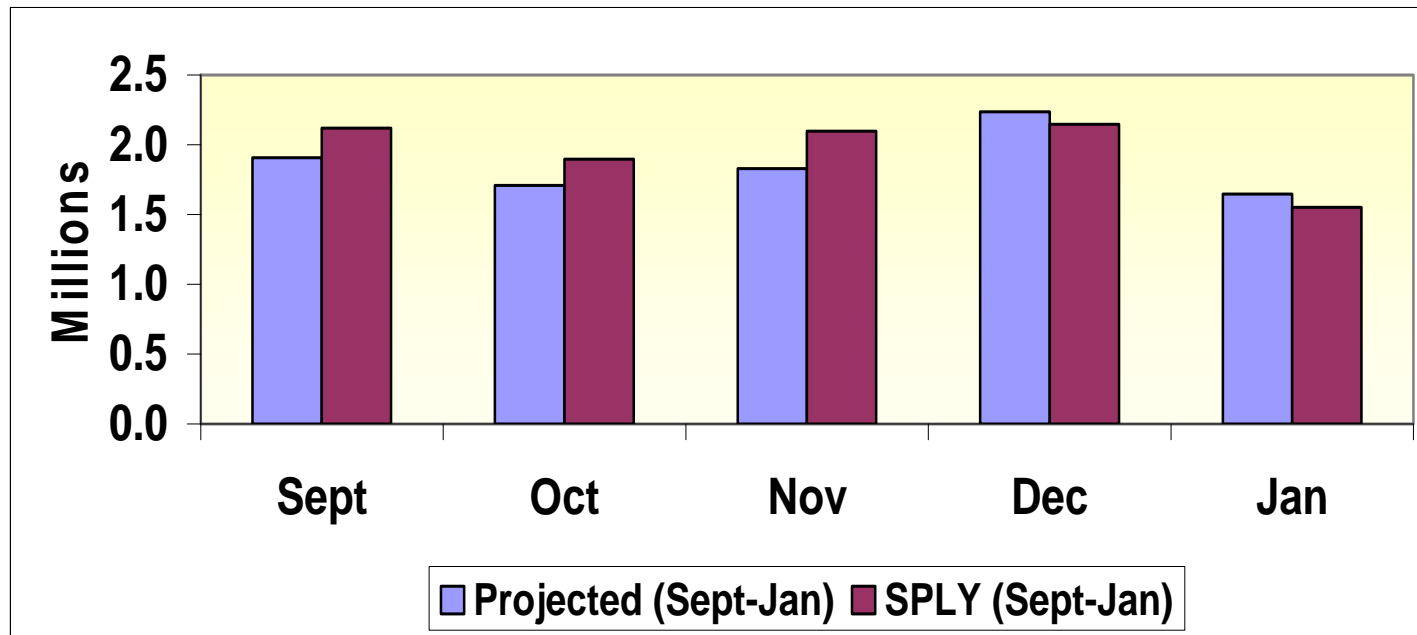
Time Frame	Sept	Oct	Nov	Dec	Jan	Total
Projected (Sept-Jan)	3,044,898,078	3,139,901,038	3,296,374,300	2,643,341,290	2,612,541,519	14,737,056,225
SPLY (Sept-Jan)	2,924,785,943	3,337,198,855	3,459,403,414	2,517,802,677	2,657,077,302	14,896,268,191



Priority Mail Projections

PRIORITY MAIL VOLUME HOLIDAY VOLUME FORECAST (Sept 2012-Jan 2013)

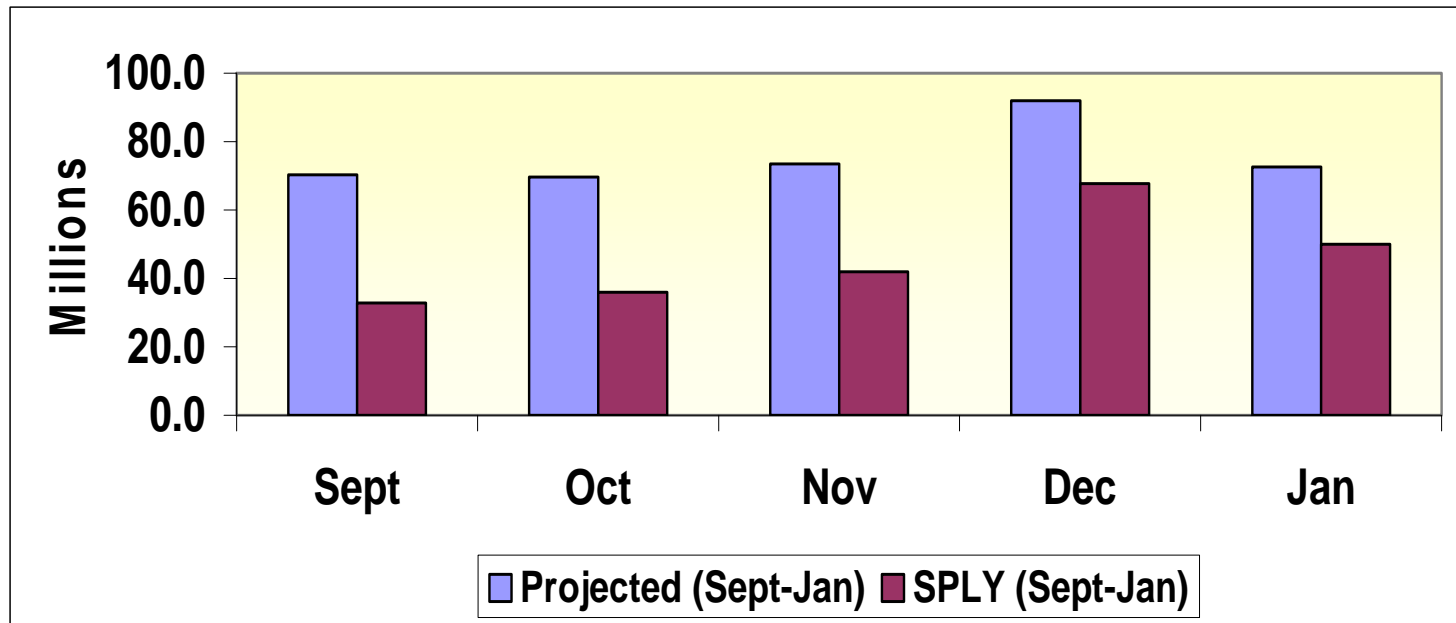
Time Frame	Sept	Oct	Nov	Dec	Jan	Total
Projected (Sept-Jan)	1,906,955	1,710,306	1,829,902	2,236,936	1,647,926	9,332,024
SPLY (Sept-Jan)	2,119,915	1,896,529	2,096,911	2,145,933	1,550,601	9,809,889



Package Mail Projections

PACKAGE* MAIL VOLUME HOLIDAY VOLUME FORECAST (Sept 2012-Jan 2013)

Time Frame	Sept	Oct	Nov	Dec	Jan	Total
Projected (Sept-Jan)	70,277,742	69,720,147	73,525,613	91,992,814	72,584,179	378,100,495
SPLY (Sept-Jan)	32,878,085	35,928,748	41,997,656	67,689,558	50,012,092	228,506,139



Mail Transport Equipment (MTE) Update



Mail Transport Equipment (MTE)

- **Demand & Inventory by Product**
- **MTE Awareness Campaign**
- **Tightening Processes for Issuing Equipment**
- **MTEOR**



MTE Investment FY12

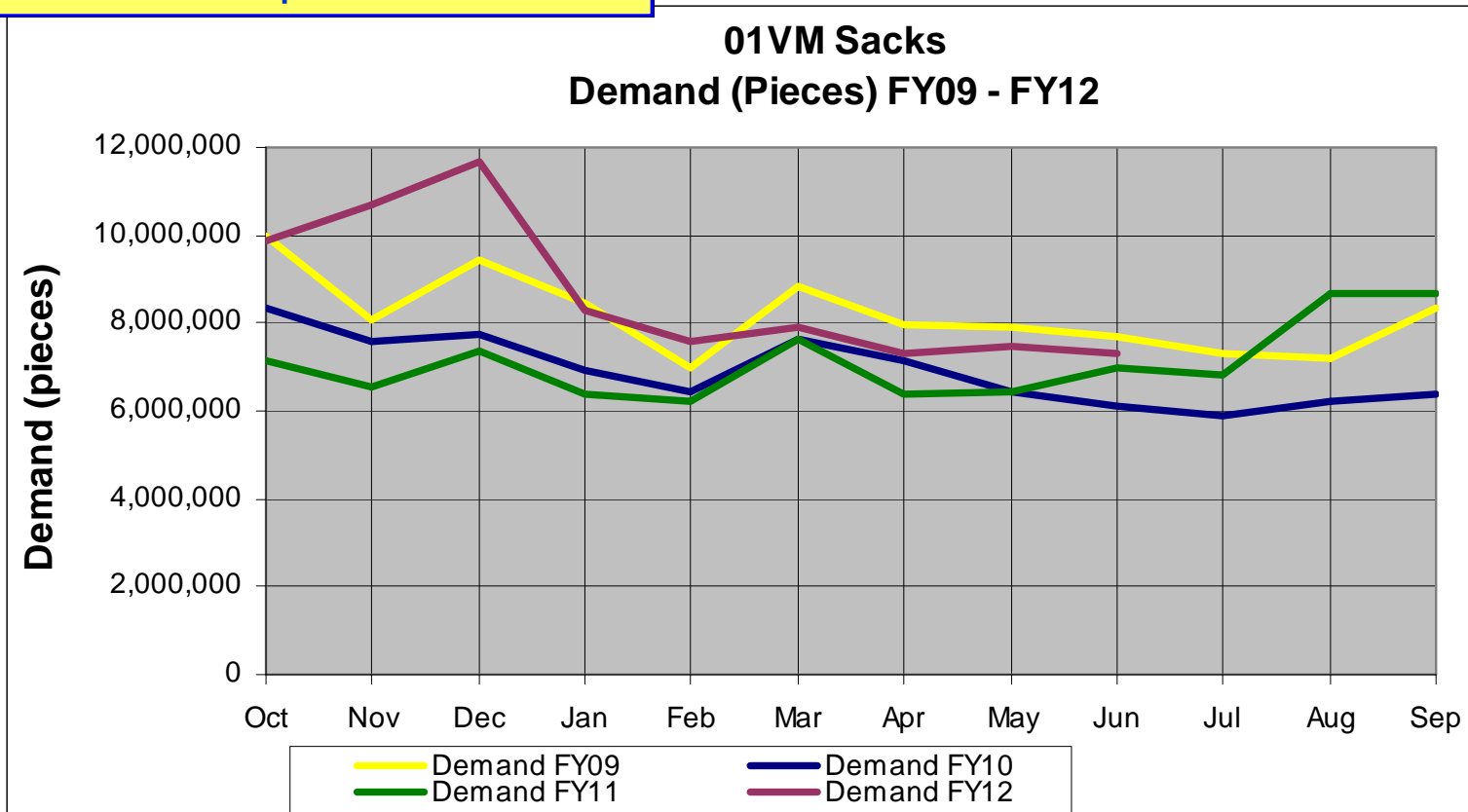
MTESC Warehouses are filling up!



Description	Purchased FY11	Purchased FY12
MM Trays	10,960,000	22,075,920
EMM Trays	686,000	5,100,000
Half Trays	0	1,144,000
MM Tray Sleeves	776,000	7,723,000
EMM Sleeves	308,000	4,470,000
Half Sleeves	0	823,368
Sacks	4,300,000	10,100,000
Flat Tubs	1,386,000	3,282,000
Pallets	2,525,000	3,861,750

Sack Demand Trend

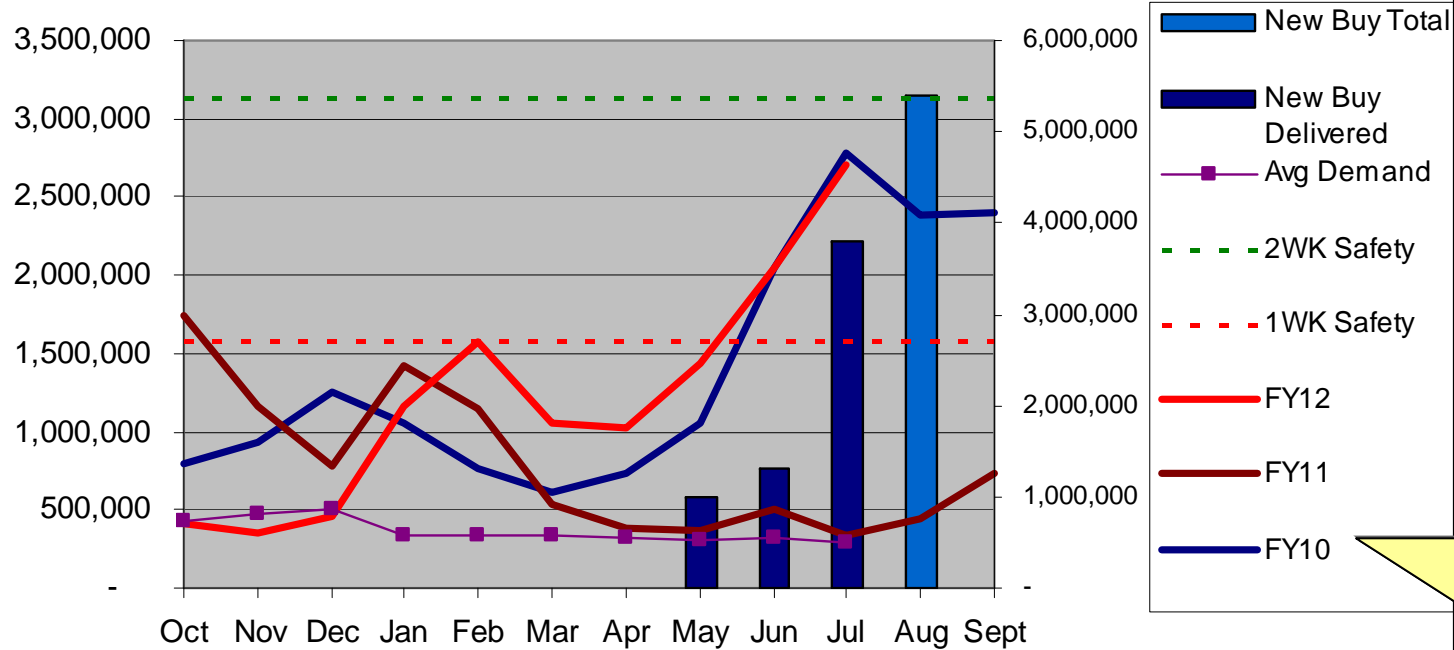
YTD Demand up 28% to SPLY



Product Inventory Status

1.5M additional sacks due

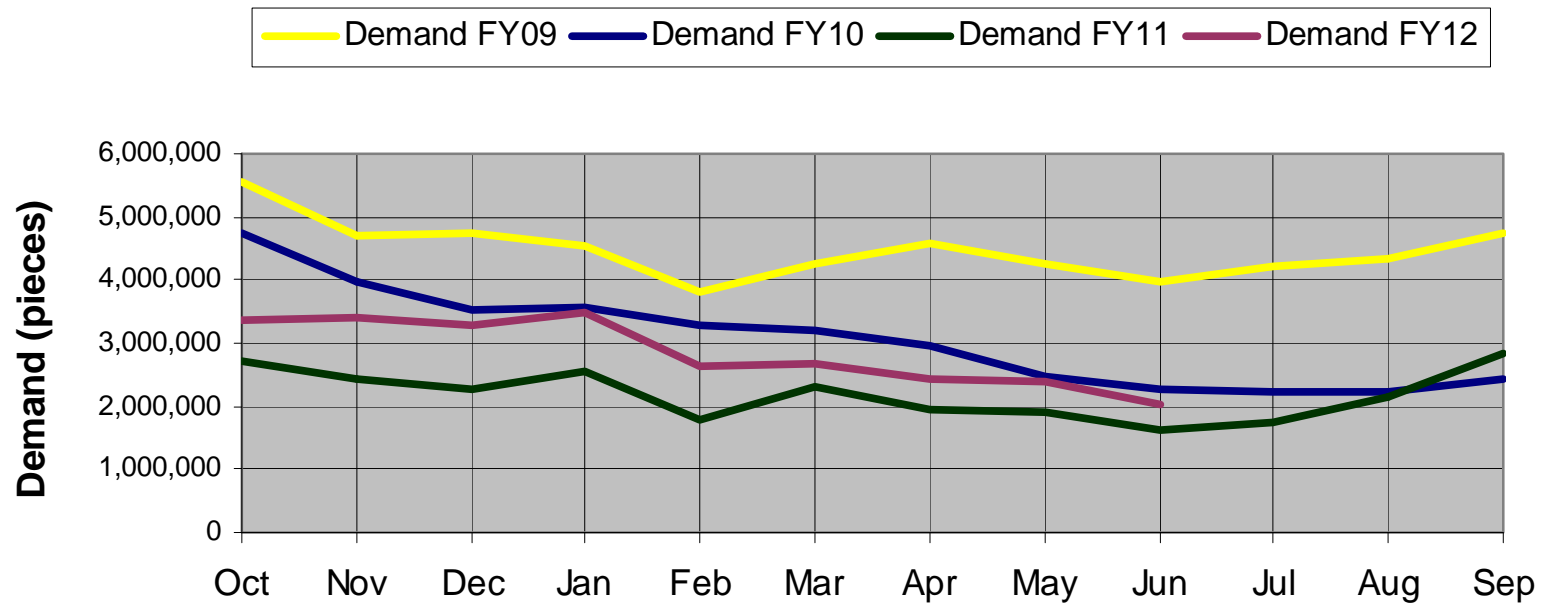
#1 Sack Avg Daily Balance on Hand



Flat Tubs Demand Trend

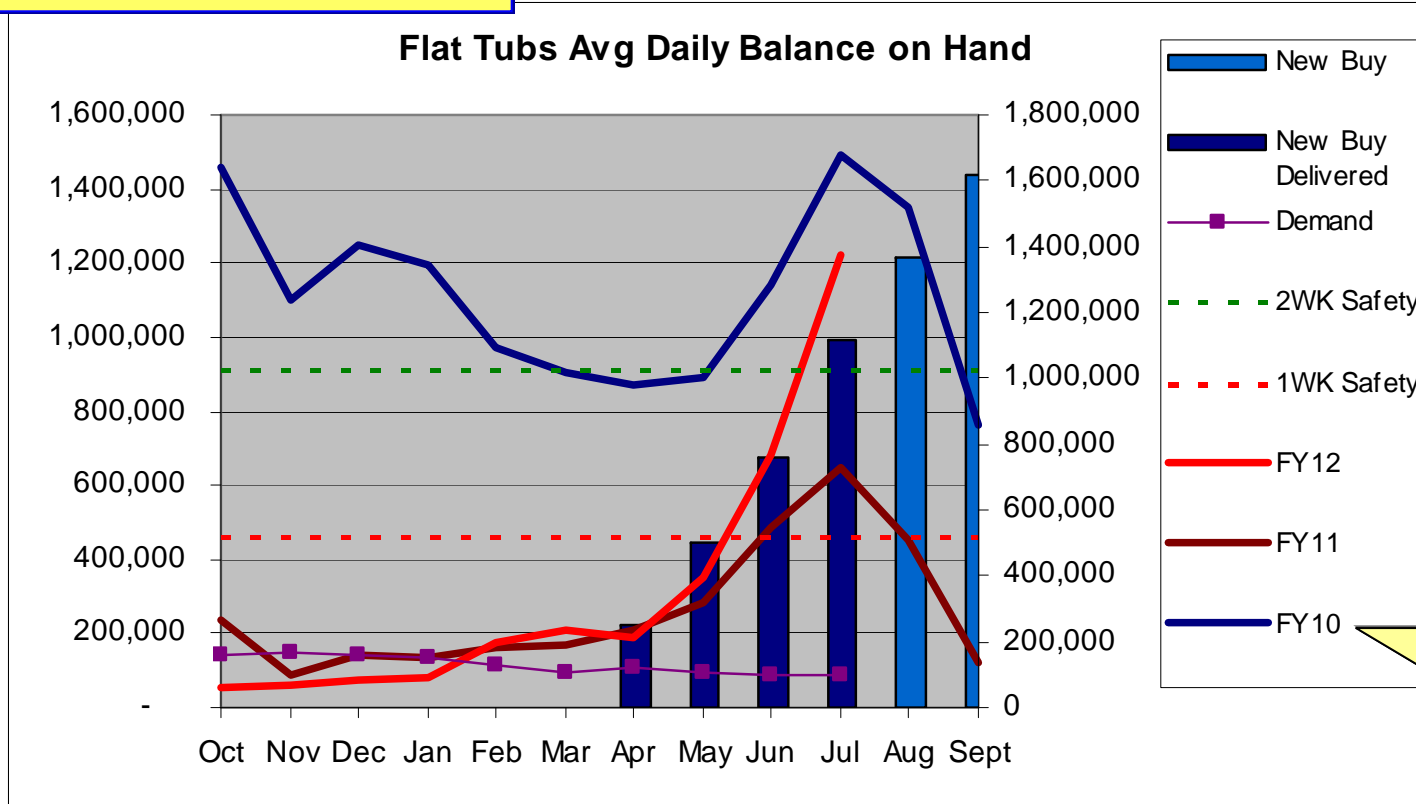
YTD Demand up 31% to SPLY

78P Flat Tub Demand FY09 - FY12



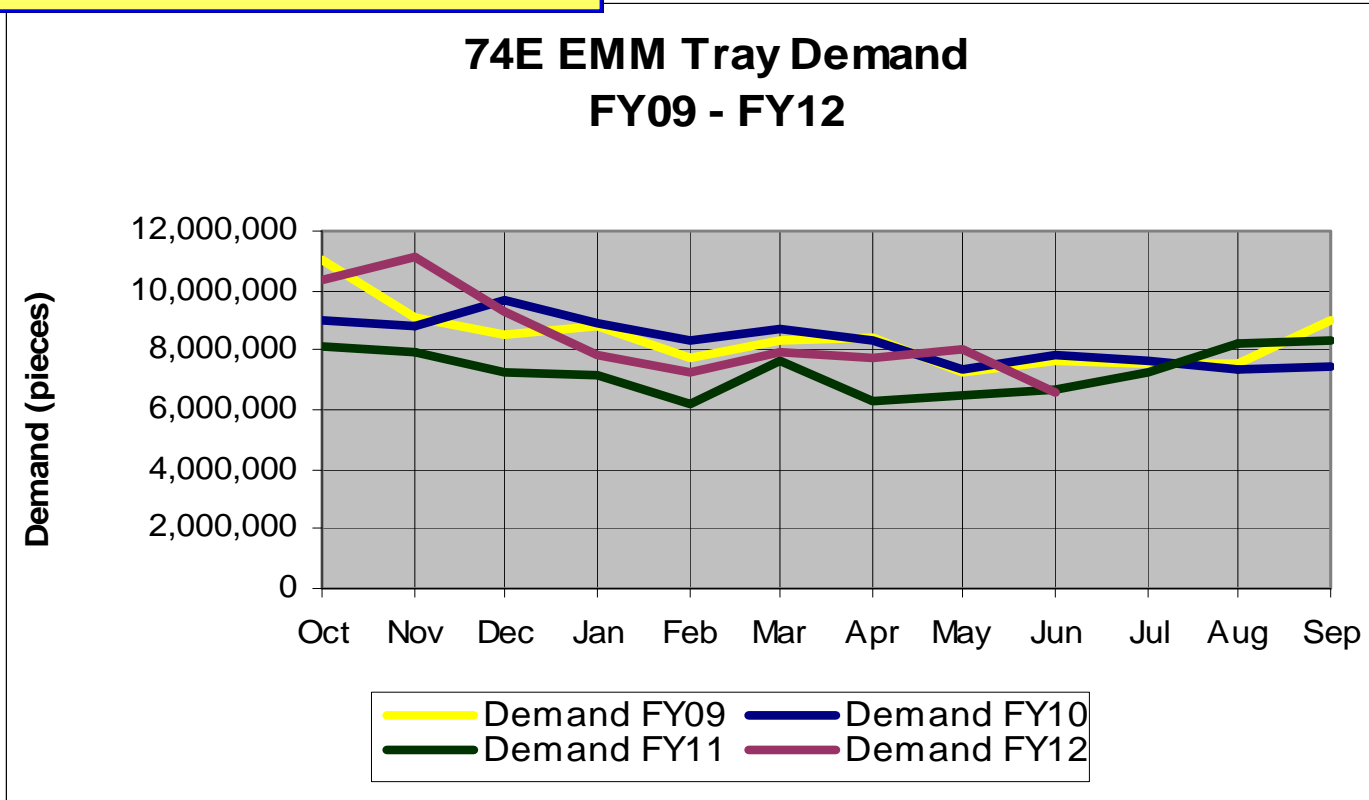
Product Inventory Status

330K additional tubs due



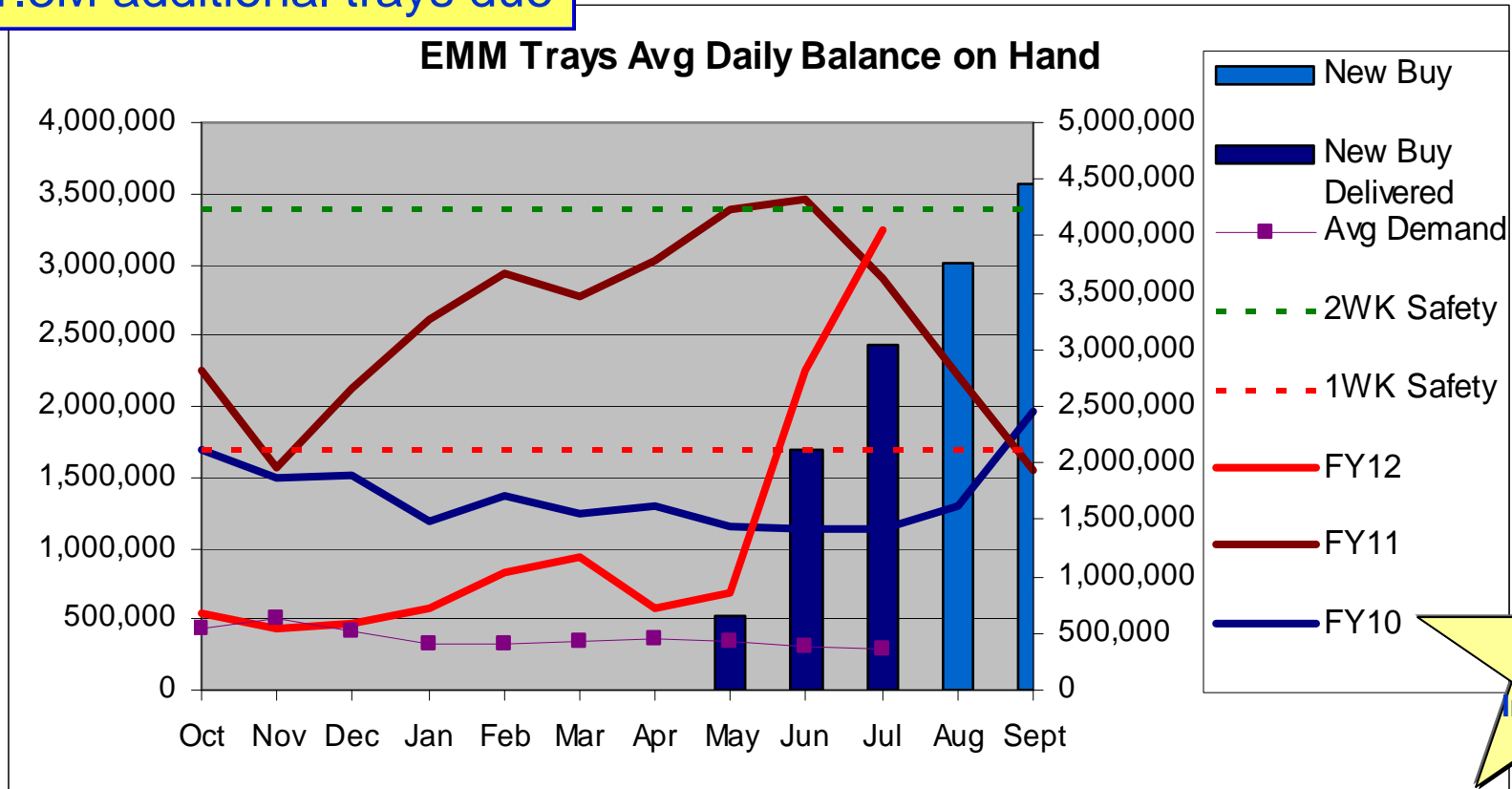
EMM Tray Demand Trend

YTD Demand up 20% to SPLY



Product Inventory Status

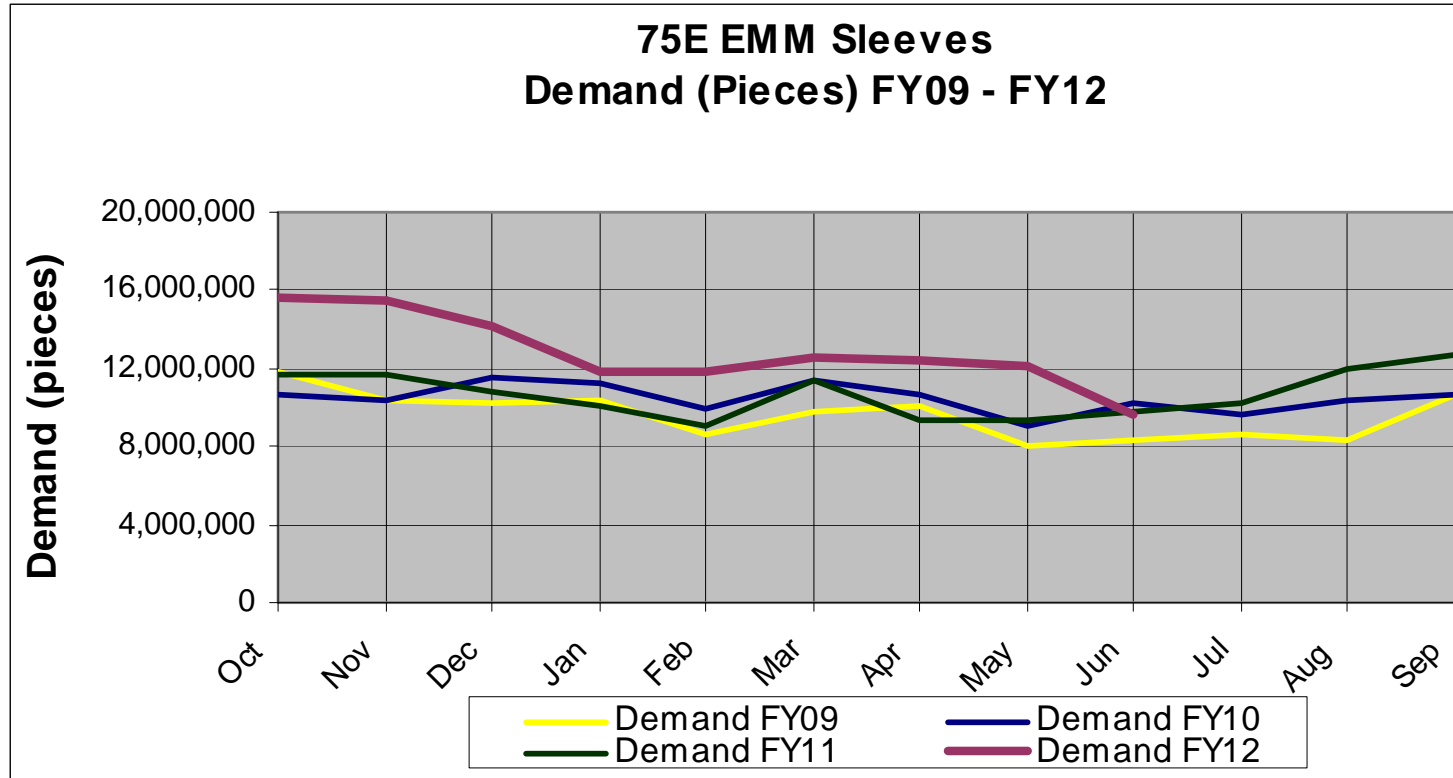
1.3M additional trays due



Above Safety Inventory

EMM Sleeves Demand Trend

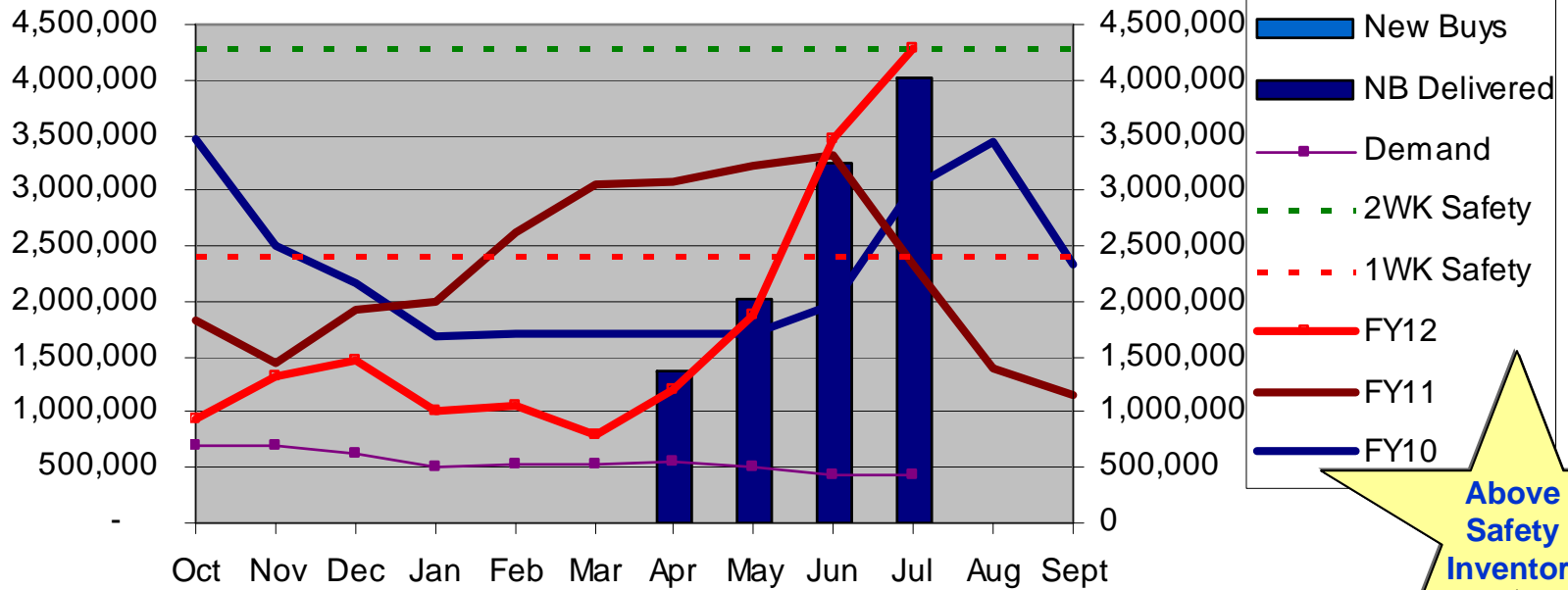
YTD Demand up 24% to SPLY



Product Inventory Status

45K additional sleeves due

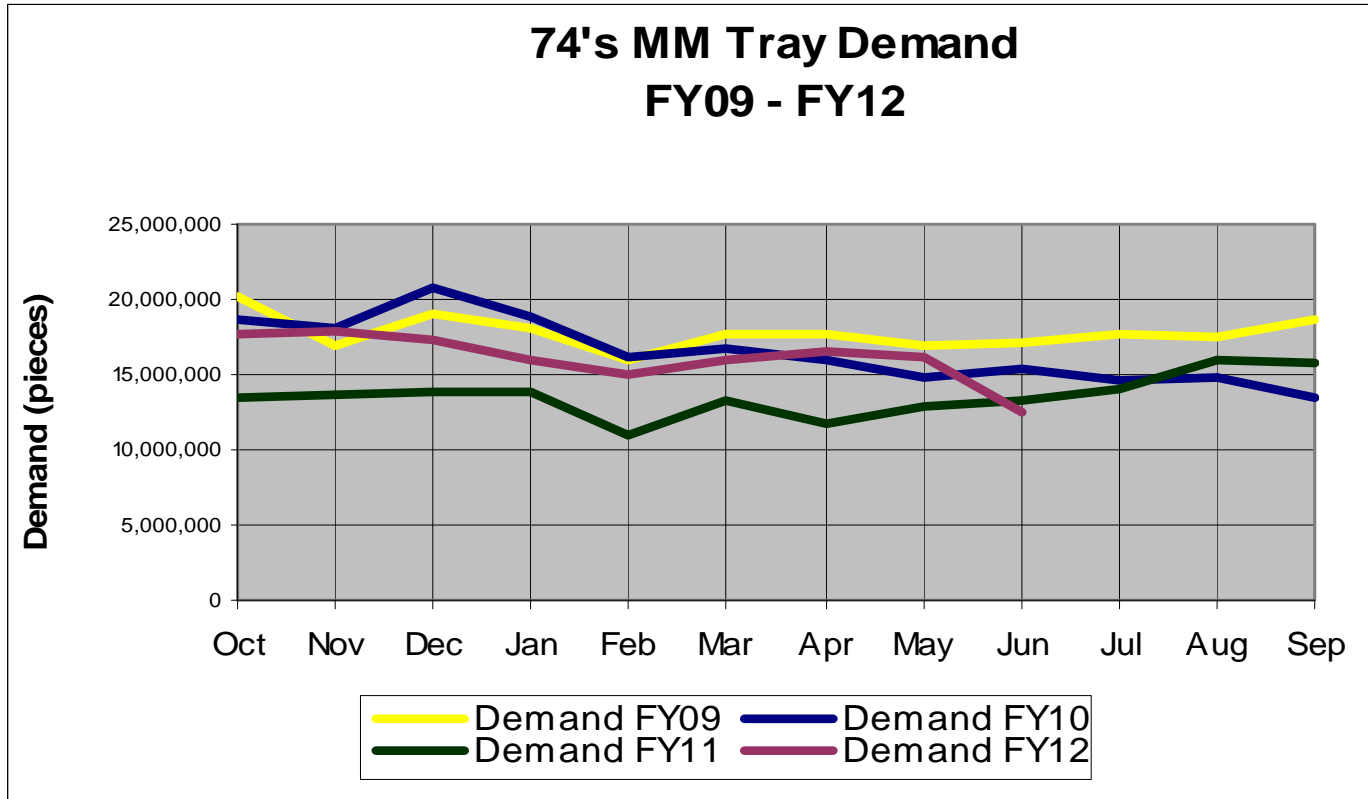
EMM Sleeves Avg Daily Balance on Hand



Above
Safety
Inventory

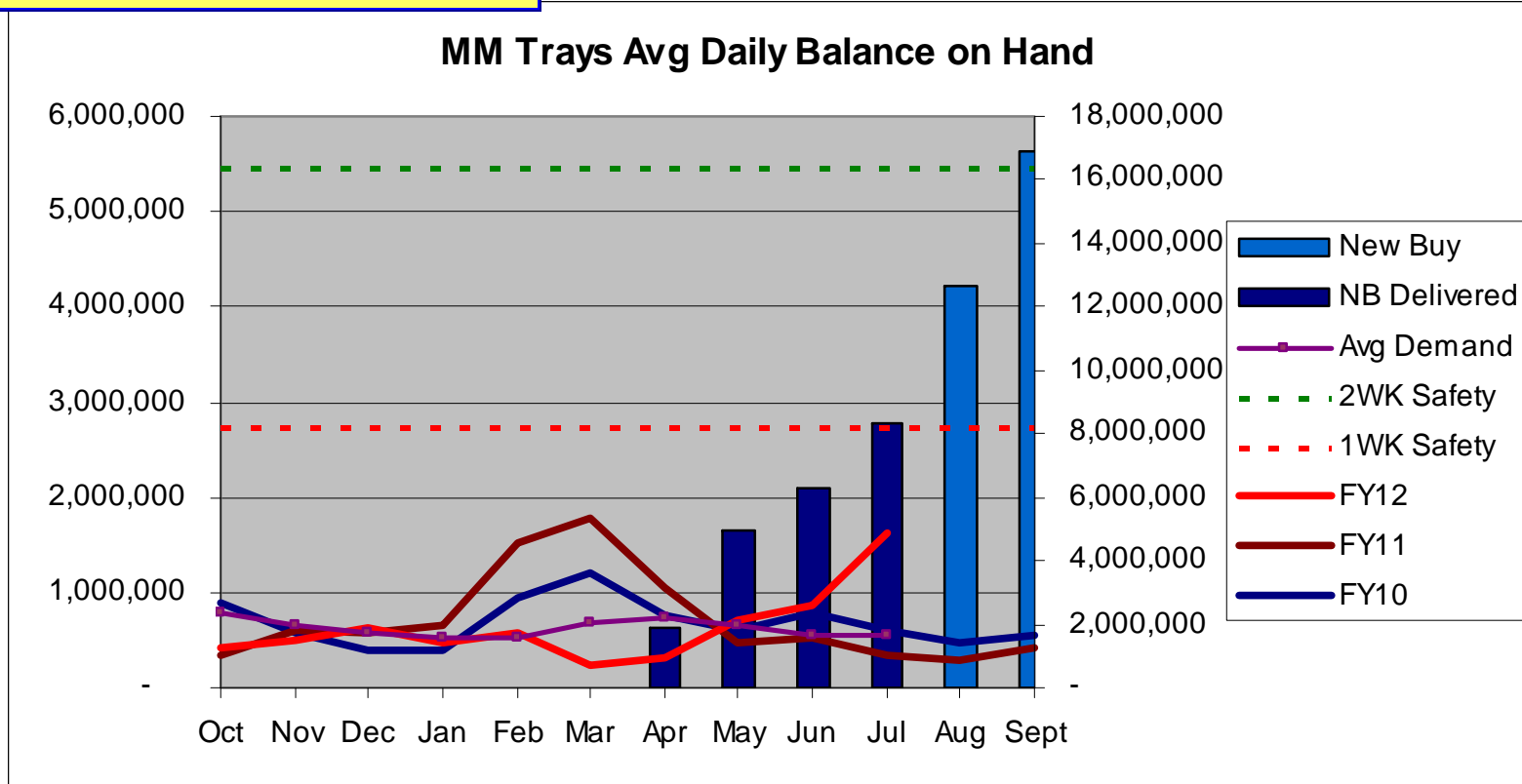
MM Trays Demand Trend

YTD Demand up 24% to SPLY



Product Inventory Status

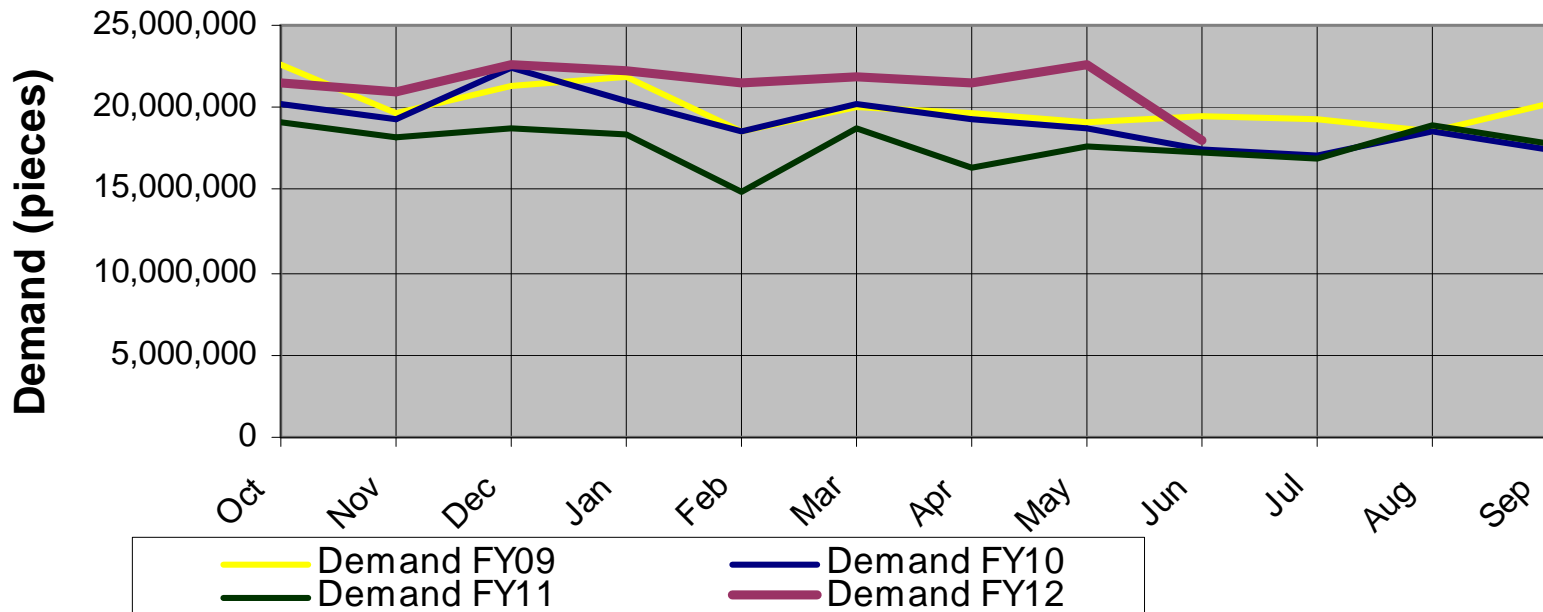
8.5M additional trays due



MM Sleeves Demand Trend

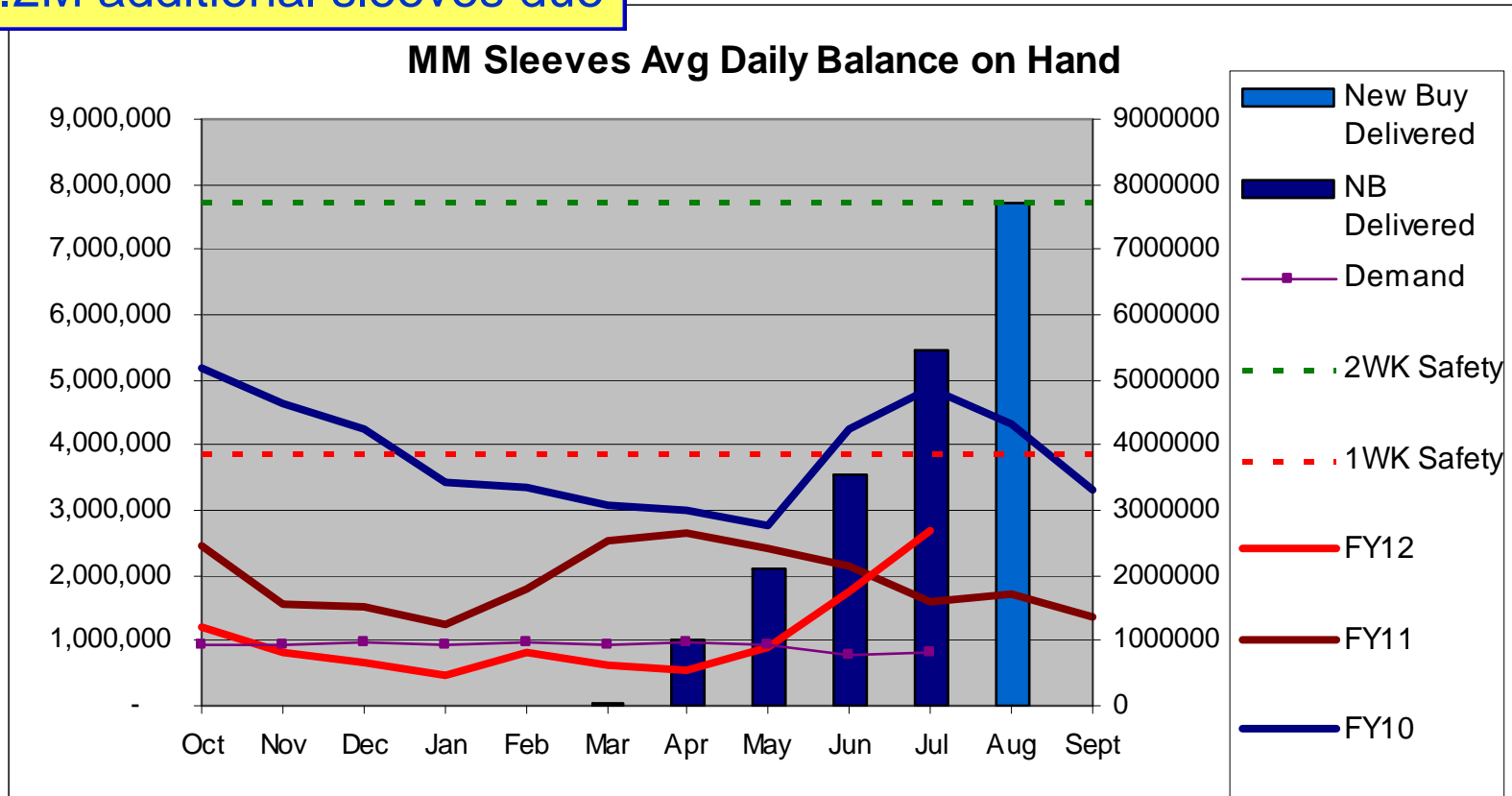
YTD Demand up 21% to SPLY

75 Sleeves
Demand (Pieces) FY09 - FY12



Product Inventory Status

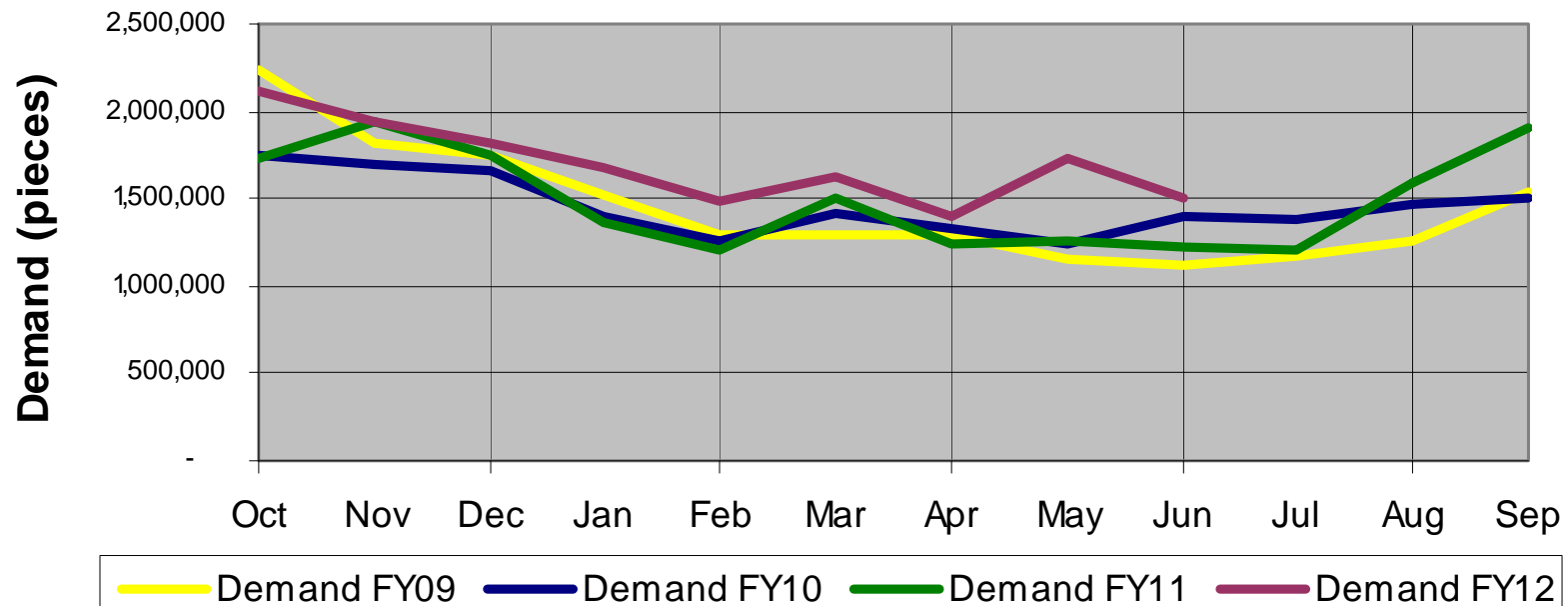
2.2M additional sleeves due



Pallet Demand Trend

YTD Demand up 16% to SPLY

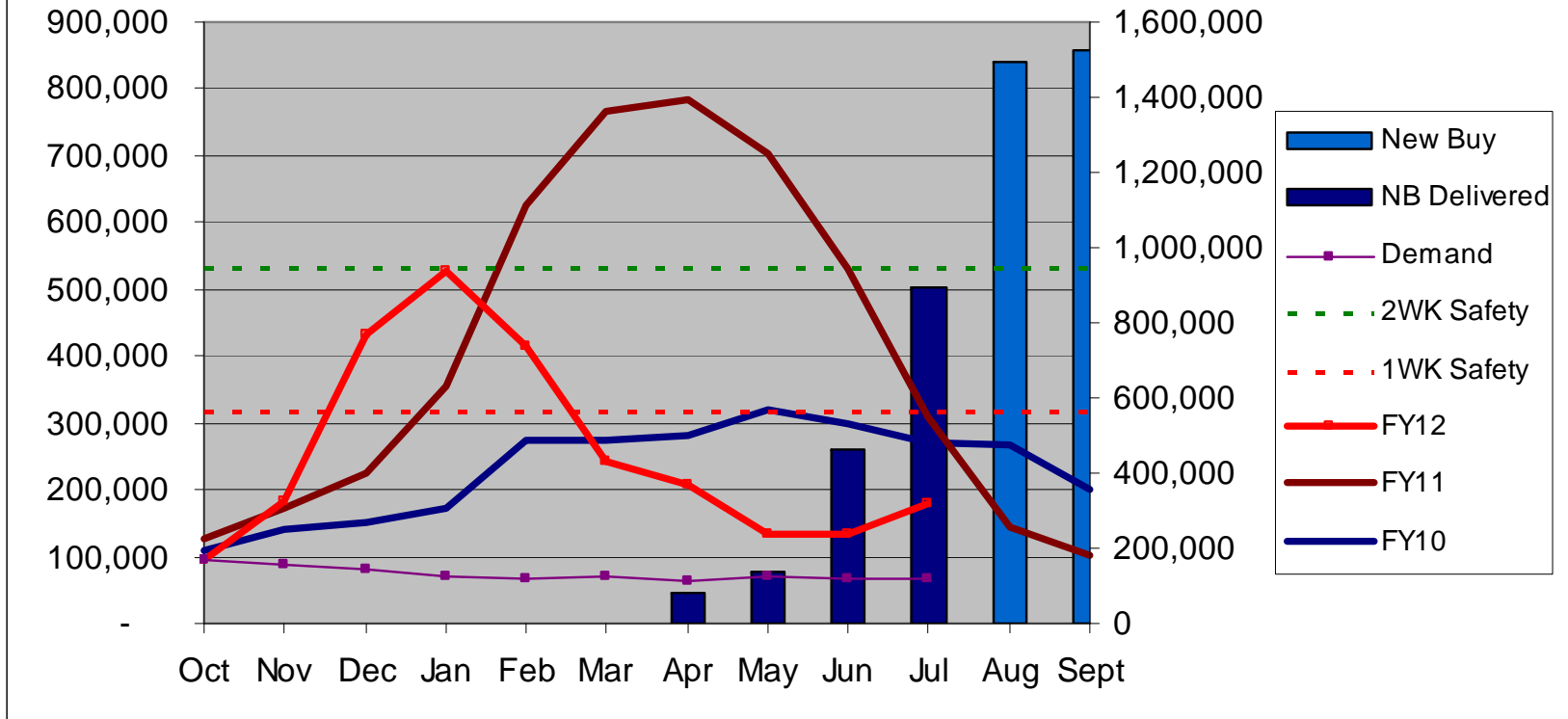
Pallet Demand
FY09 - FY12



Product Inventory Status

983K additional pallets due

Pallets Avg Daily Balance on Hand



Illegal Recycling of MTE

- **Inspection Service Recycler Initiative**
 - 218 recycling yards visited November 2011
 - 30% were in possession of USPS MTE
 - 14,453 plastic pallets were recovered



Recyclers in LA Area



700 USPS plastic pallets
2,600 lbs ground pallets



Tightening MTE Processes

Requirements: Stop Leakage of MTE

- **Review the process at every plant to ensure:**
 - Only known mailers are provided equipment
 - Mailers provide list of all drivers authorized to pick up equipment
 - Mailers call or email to order equipment prior to sending a driver
 - Driver ID reviewed to verify that they are on the approved list
 - Date, type and quantity of equipment provided is recorded in Excel
 - No MTE stored outside



MTE Awareness Campaign

Mail Transport Equipment (MTE) **MTE COSTS MONEY**



**Do not store large quantities of MTE at your facility.
Do not sell, discard, or recycle any MTE.**



**Got MTE you don't need? Send it to the Mail Transport
Equipment Service Center (MTEESC). Report all unauthorized use of MTE
to the MTE Hotline at 866-330-3404 or email hqnte@usps.gov.**



MTE Awareness Campaign

Mail Transport Equipment (MTE)

We can't afford to lose it or not get it back.



- Don't sell, discard, or recycle
- Don't store outside
- Don't use for storage
- Return excess
- Report abuse
- Don't give to customers

Got MTE you don't need? Send it to the Mail Transport Equipment Service Center (MTEESC). Report all unauthorized use of MTE to the MTE Hotline at 866-330-3404 or email hqmt@usps.gov.



Mail Transport Equipment (MTE)

MTE is POSTAL SERVICE PROPERTY and COSTS \$120 million annually to replenish.

DO NOT SELL, DISCARD, OR RECYCLE ANY MTE AT YOUR FACILITY.



Send it to the Mail Transport Equipment Service Center (MTEESC). Report all unauthorized use of MTE. Call the MTE HOTLINE: 866-330-3404 or email hqmt@usps.gov.



MTE Awareness Campaign



Mail Transport Equipment (MTE)

Theft or misuse of USPS equipment is a federal crime.
Penalties of up to 3 years in prison and a fine.



Letter Trays



Plastic Pallets



Wood Slat Pallets



Presswood Pallets



Flat Tubs



Tray Sleeves

Got it? RETURN IT!

Got MTE you don't need? Send it to the Mail Transport Equipment Service Center (MTE SC). Report all unauthorized use of MTE to the MTE Hotline at 866-330-3404 or email hqmtte@usps.gov.



MTEOR



System Overview



UNITED STATES
POSTAL SERVICE



Introducing MTEOR

MTEOR is a new Mail Transport Equipment Online Ordering system which allows Mailers to order Mail Transport Equipment online

In response to mailers request for an updated MTE ordering process, USPS is launching MTEOR as a fast, reliable and convenient method for Mailers to order their MTE:

- Located on the Business Customer Gateway (BCG) for easy customer access
 - Users must register on the BCG prior to receiving access to MTEOR
- Provides a standard process and centralized location for placing orders; helps track MTE inventory at MTESCs



Why Now ?

Our current approach to manage MTE orders is not very efficient for customers and does not provide them with the order information needed to actively and effectively manage orders

- Large Mailers and USPS plants order their MTE by placing calls, sending faxes or emails to an MTE representative who manually enters the order into MTESS (the order fulfillment system)
- Smaller Mailers order MTE from their local facilities without a set process in place
- USPS is spending over \$120 million this year buying MTE so it's important to have better information on the location of inventory and needs of our customers

MTEOR Phased Approach

Phase I –September 5, 2012

Available to Mailers who currently receive MTE from an MTESS

Phase II – Spring 2013

Available to an expanded user-base to include other Mailers and USPS plants



MTEOR Benefits

MTEOR provides several key benefits, such as:

- Allowing Mailers to place their orders online and having the ability to check the status of an order or see order history at any given time
- Allowing Mailers to withdraw or cancel orders
- Strengthening partnership with Mailers to better track and protect MTE
 - Phase I- mailers accept MTE agreement, which outlines policies and is intended to bring all MTE borrowers under the MTE requirements included in Plant Load Agreements and the GPS Pallet Agreement.
 - Phase II- confirming receipt of MTE; reporting inventory on hand. Both of these help with overall MTE inventory management.



Roles and Responsibilities

The following roles are part of the MTE ordering process:

- **Employees (*Internal*)**

- Order Managers
 - Ensure MTEESC are processing MTE correctly
 - Perform audits at each site
- Business Service Network (BSN)
 - Resource for Mailers in the event of any issue
 - Coordinate orders and ensure MTE is distributed appropriately
- Ordering Customers
 - Place one-time orders in MTESS for plants and Mailers
 - Serve as initial point of contact for Mailers when placing an MTE order



Roles and Responsibilities

The following roles are part of the MTE ordering process (continued):

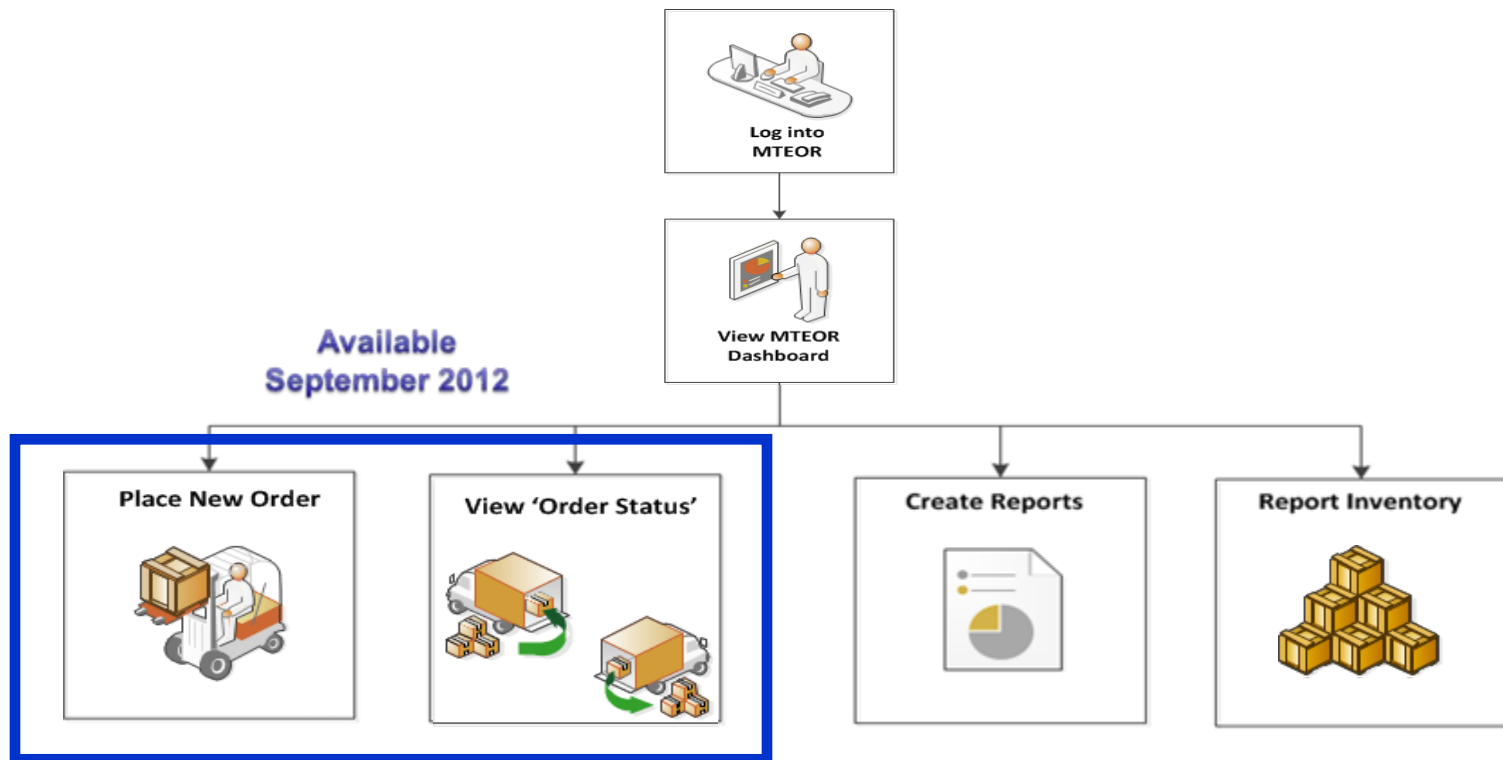
•Mailers (*External*)

- Business Service Administrator (BSA)
 - Designates additional MTEOR Mailers for their location
 - Monitors that MTE orders are placed in accordance with MTEOR policy
- MTE Orderers (*designated by the BSA*)
 - Place one-time MTE orders for their location using MTEOR
 - Report inventory and return unused MTE



MTEOR Overview

The primary goals for Phase I are to provide Mailers an online ordering portal and the ability to check order status online. Additional features will be developed and implemented accordingly.



Accessing MTEOR

Mailers will log into MTEOR through the Business Customer Gateway using their specific username and password.




Log into
MTEOR

UNITED STATES POSTAL SERVICE® USPS.COM | GATEWAY | HELP

This screen shot is representative

Business Customer Gateway

Welcome to the Business Customer Gateway! This portal gives you a single entry point for Postal Service® online business services. Options support Intelligent Mail® products and services, including *PostalOne!*, Facility Access and Shipment Tracking, Mailer IDs, eInduction and tracking. Use the Online Enrollment service to join Shipping Service programs.



Design & Prepare

- Electronic Data Exchange (PostalOne!)
- Intelligent Mail Small Business (IMsb) Tool
- Online Enrollment
- Intelligent Mail Services
- Mailer ID
- STAMPS NOW

Mail & Transport

- Centralized Account Processing System (CAPS)
- Customer/Supplier Agreements (CSAs)
- Customer Label Distribution System (CLDS)
- Schedule a Mailing Appointment (FAST)
- MTEOR**

Track & Report

- ADVANCE
- Delivery Confirmation

Login

Username

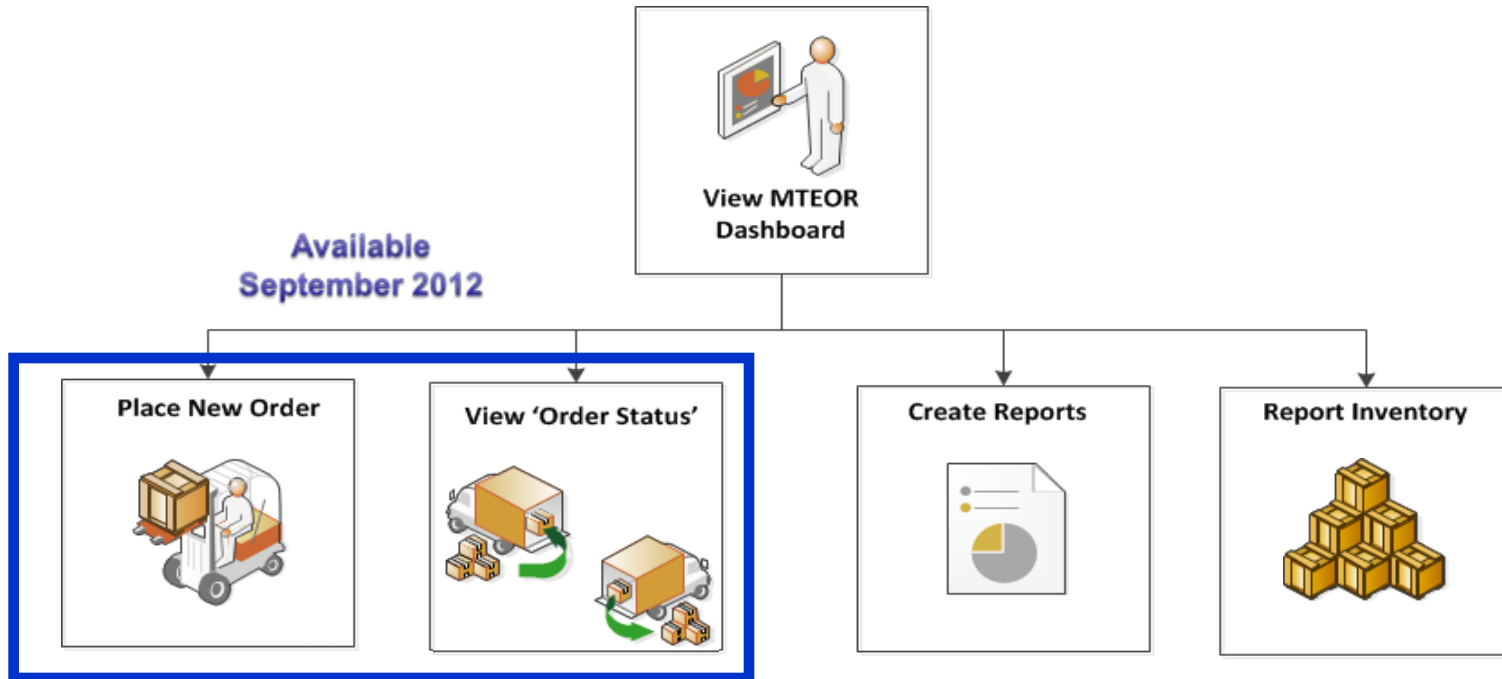
Password **Sign In**

[New User Registration](#)
[I forgot my password](#)



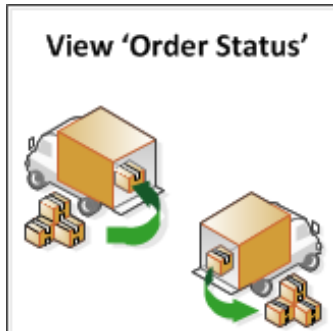
MTEOR Dashboard

Once logged in, Mailers will see a dashboard that will serve as a 'landing page' from which they can perform various actions. Phase 1 will allow Mailers to view order status and place new orders; Phase 2 will provide various reporting capabilities.



View MTE 'Order Status'

Mailers will be able to view MTE order status, as outlined below, for their specific location or for multiple locations if they are associated to more than one.



View Order Status

** This feature will be available in late September*

- **Placed** – Order for MTE has been placed by Mailer to MTEESC
- **In Progress**– MTE order is being processed by the MTEESC
- **Shipped** – MTE has been shipped
- **Backorder *** – MTE type not immediately available, order placed in backorder status for a specified period of time (business rule still being defined)
- **Withdrawn** – MTE order is no longer needed and is withdrawn from system; this action can be completed by the Mailer up to 72 hours before its scheduled shipping date; Order Managers and the system also have the ability to withdraw orders i.e. exceeds backorder window
- **Received *** – MTE order has been received by Mailer



Place New Order

Mailers will walk through a four step process, outlined below, to place their MTE orders. Once the orders are placed, they can be viewed on the 'Order Status' screen and track their status.

Place New Order



Place New Order

- **Catalog** – Mailers can view MTE by type i.e. pallet, tray, sleeve
- **Ordering** – Mailers populate required data fields to fill truck load
 1. **Verify Address and POC**– validate the shipping and POC information
 2. **Select Dispatch Date and Time**– select a dispatch date and time
 3. **Select MTE and Quantity** – choose MTE type and define quantity, either pieces or pallets; orders can only be placed in full truck load quantities
 4. **Confirm and Place**- verify your order is correct, sign user agreement and submit order.



MTEOR Contact and Information

For questions email MTEOR@usps.gov or visit the MTEOR Blue Page for training and information to better understand MTEOR.

Blue United States Postal Service

You deliver for the country, we deliver for you.



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Thursday, July 5, 2012

Network Operations

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MTEOR Home Page

Mail Transportation Equipment Online Ordering System (MTEOR) allows a user to order MTE online. This system also permits users to check the status of an order, see their order history, and modify an order.

Phase 1 launches September 5, 2012 for mailers who currently receive MTE from MTESC.

Phase 2 will be implemented in Spring 2013 for all mailers and other Postal facilities.

MTEOR training dates will be released soon.

[Resources](#)

Network Operations Contacts

- [Mail Transport Equipment Contacts](#)
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