



Mail Transport Equipment (MTE)



Mail Transport Equipment (MTE)

- Fall 2011
- Purchase Plan FY12
- Keeping MTE Circulating
 - Repositioning
 - Reduce Leakage
- What's new in MTE



MTE Shortages Fall 2011

- **Unusually high demand**
- **Demand not supported by on-hand inventory**
- **Less durable MTE**
- **Lack of visibility of mailer inventory and MTE received from plants**
- **Changed field structure / new contacts**
- **MTEESC moves**



Recovery Strategy

- ❑ **Increased quantity of MTE purchased**
 - **Modeling completed to determine quantities needed**
 - **Restore inventory levels at MTESCs to sustain peak demand**
 - **Leadership committee review**
- ❑ **Pursue development of system to track end-to-end flow of MTE and provide visibility of order status to mailers (MTEOR)**
- ❑ **Identifying internal local recycling, destruction and misuse**
 - **Return serviceable product to inventory**
- ❑ **Tightening process for MTE fulfillment at plants**
 - **Require photo ID from drivers**
 - **Track mailer pick ups**



MTE Expense FY12

\$120,000,000





Warehouses are filling up!



Description	Purchased FY11	Purchased FY12
MM Trays	10,960,000	25,040,000
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	3,280,000



Mail Transportation Equipment & MTE Network

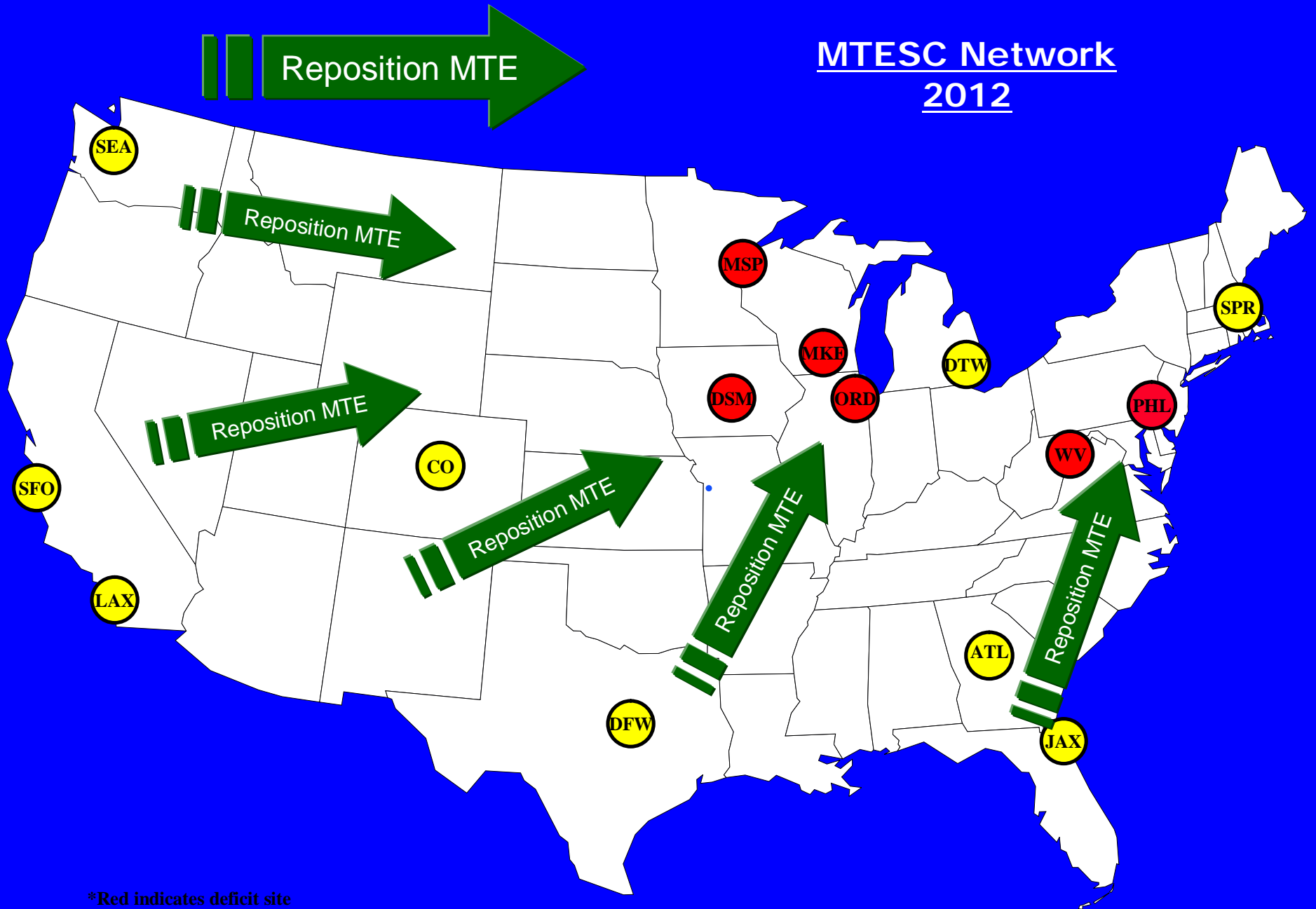
Inside an MTE SC





Keeping MTE Circulating

MTESC Network 2012



*Red indicates deficit site



What is the price of MTE not circulating?

If 350 of the 700 very large mailers served by the MTEESC each hold just **2 extra trailer loads** of MTE in reserve:

We need **\$17,197,425** to replace the MTE which is not circulating.

If 5,000 of the large mailers each hold just **20 pallets** of MTE in reserve:

We need **\$68,730,000** to replace the MTE which is not circulating.

If 15,000 mid-sized mailers each hold just **8 pallets** of MTE in reserve:

We need **\$82,476,000** to replace the MTE which is not circulating.

Combined we would need \$168,403,425 to replace this MTE!

Trailer load values based on cost to replace full load quantities such as 48 stacks of plastic pallets or 48 pallets of plastic MM trays



□ **Current Efforts to Reduce Leakage**

- Inspection Service – Recyclers
- Lean Six Sigma Projects
- Internal Awareness Campaign
- GPS Pallet Program



Recycler Initiative

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





Lean Six Sigma Projects

- Reduce Excess MTE in Delivery & Retail Units
- Reduce Excess MTE in Plants
- Reduce Excess MTE at Mailers
- Recycling & Destruction of MTE at Plants and Post Offices



The movement of USPS pallets.....

- Where do our pallets go?
- How long are our pallets outside the USPS network?
- Where do our pallets end up?

We sample and monitor the flow with GPS.



Pallet Cycle Times

- Average measured cycle time from customer receipt of pallets to USPS return – 18 days
- Some sit and do not move for months
- Others make trips to multiple locations before returning to USPS facilities

High cycle times cripple our ability to resupply the network.

Extra trips increase wear and reduce the life of the pallets.



How Industry Partners Can Help:

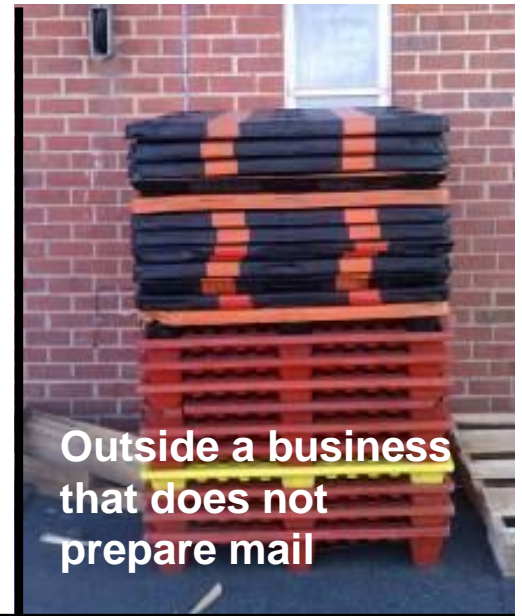
- Reliable Forecasting
 - Advance visibility of demand by equipment type and date
- Place equipment orders just-in-time based on production
- Minimize cycle time between obtaining MTE and entering mail stream
- Maintain equipment within postal supply chain
- Never store MTE outside



If you see MTE misused - report it!



Newspaper article on an internet-based used book seller. Picture reveals they use flat tubs for their internal sorting and storage.



Outside a business that does not prepare mail



Even on the farm!

MTE is everywhere!

Serving many purposes unrelated to mail.
Report misuse!

Mail Transport Equipment (MTE)

MTE is Postal property.



Tubs, Pallets, Trays and Rolling Stock

Utilize MTE only for mail transport
not for any private business use



What's New in MTE



What's New in MTE

- New Tray Material
- MTEOR
- MTESC Network Modification



New Tray Material

- ❑ Testing MM trays in Solid Fiber
 - Increased durability over corrugated
 - Lower cost than plastic





Developing a System to Track MTE End-to-End

- Funding and approval for MTEOR
- Phase 1 Launch September 5
- Phase 2 Spring 2013



Phase 1

For mailers supplied MTE via MTEESC

- Online ordering
- Visibility to order status



Business Customer Gateway: Log-in

MTEOR will be located in the Business Customer Gateway, providing mailers easy access through a familiar site. Each mailer will login using an existing account or by creating a new account.

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

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.

Scanning and Tracking

Login

Username

Password [Sign In](#)

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

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

This screen shot is for discussion purposes only



Mailer Dashboard

MTEOR will feature a dashboard view that will provide mailers with a snapshot view of various metrics, such as their order status, order history, reporting capabilities, etc.



Mailer Dashboard View

View/search order history



View MTE Catalogue/ Order



Publish reports



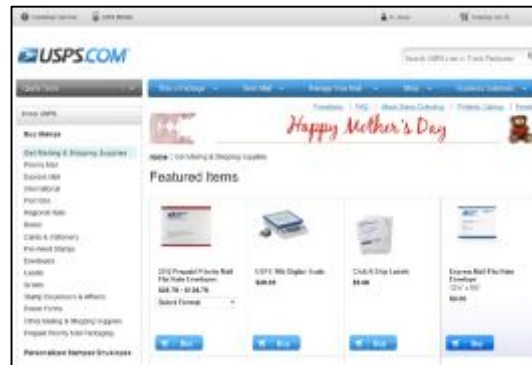
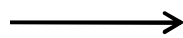
These screen shots are for discussion purposes only

Mailers will have a catalogue with an MTE product list, which they will be able to browse, make selections and place orders.

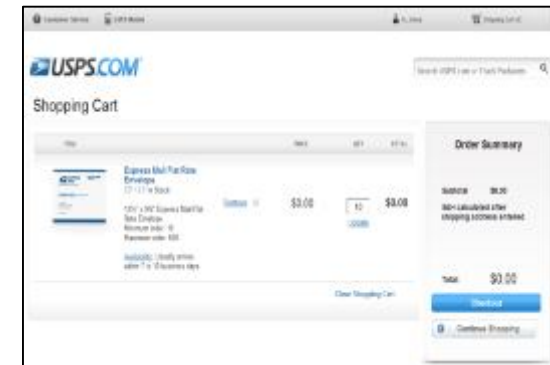
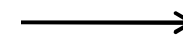
MTEOR MTE Catalogue-- Representative



MTE Catalogue



Mailer selects MTE product(s)



Mailer places order(s)

The representative MTE catalogue process flow is intended to illustrate the mailer experience when browsing, selecting and placing an order for MTE.

These screen shots are for discussion purposes only



MTESC Network Modification

Temporary expansion of the Chicago MTESC

- 300,000 sq ft addition
- Positioned to resupply MTESC's in Milwaukee, Minneapolis and Des Moines



A



B



C



D

Which of these is
NOT a Postal pallet?



A



B



C



D

All of these are Postal pallets!

77% of the pallets purchased in FY12 were wood due to the lower price point



A



B



C



D

Bonus Question:

How much does each type of pallet cost?



A



B



C



D

How much does each type of pallet cost?

Wood Slat = \$7

Pressed Wood = \$8

Plastic = \$20



A

B

C

D

Which can be recycled or disposed of locally (by mailer or USPS plant) if it is no longer serviceable?



A

B

C

D

No MTE of any type may be recycled locally. Return all MTE to the MTEESC to be recycled.

Mailers return MTE to the plant which returns to the MTEESC

What about pallets that are in this condition?





No MTE of any type may be recycled locally, even if damaged. Return all MTE to the MTEESC to be recycled.

Mailers return MTE to the plant which returns to the MTEESC



Questions?

MTE Hotline: 866-330-3404

Email: HQMTE@usps.gov