

Northeast Area USPS & Industry Focus Group –October 4th, 2012 Minutes

Ted Freedman, Industry Co-Chair asked everyone to introduce themselves and reminded the attendees to fill out their survey form before leaving. Ted introduced William Schnaars, NYC District Manager.

Mr. Schnaars welcomed everyone to the meeting and advised the group to take advantage of all the Postal representatives at the meeting today because they can help to resolve any issues you may have. He urged the attendees to network during the breaks.

Presentations

Kim Waltz, Cathedral Corporation and IFG Co-chair gave an industry overview of Network Rationalization. Ms. Waltz noted that Phase 1 began in July 2012 and overnight service changed for FCM only. Cathedral Corp. which is located in Rome NY normally entered mail in Utica which was consolidated into Syracuse in August. Cathedral has not experienced any difference in delivery service standards since the consolidation. In fact, in contacting several Standard Mailers throughout the country, not one reported any service disruption attributable to Network Rationalization. Ms. Waltz stated that there are many more changes ahead and it is impossible to predict the ending. However, we know that it will be very important to keep an open dialogue between the USPS and the Industry during these upcoming changes.

Kristin Seaver, NEA Manager Operations gave the NEA Service Update. Ms. Seaver spoke on Performance Trends, Strategies used to improve performance and Network Rationalization. She remarked that the NEA is currently above target for FCM but did see a slight dip in the numbers following the July 1st service standard changes. The dip was a result of the shift of 2 day volume into the 3 day range. For Periodicals, while service has greatly improved over the same period last year, there have been some service issues since June. The concerns are not really attributable to Network Rationalization but are more likely volume driven as we enter the fall mailing season. A question was raised by Dennis Lacognata of Prompt Mailers about the possibility of the USPS being more predictive in projecting a link between day of entry and service performance and sharing that data with the Industry. In response, Ms. Seaver explained that there are a higher number of entries made between Wednesday and Friday and 25% of all mail volume entered has a Monday delivery target. However, Monday and Tuesday have fewer entries and therefore better delivery rates because the volumes are less. Ms. Seaver offered to bring data for days of the week to the next meeting. Ms. Seaver continued by giving an overview of some of the tactics and tools the USPS uses to continually improve service performance. These include IMB data, SPLY volumes and commercial last mile which measures the time between the last scan at the plant and delivery. Ms. Seaver reviewed the Summer Consolidations and noted there would be little movement during the fall mailing season. The next round of consolidations will begin January 2013. She ended her presentation by thanking everyone for their business.

Bill Schnaars announced the recent retirement of Iris Mustafa, Transportation Network Manager NYC, stating she was always supportive of all mailers and was a great asset to the USPS. Ted Freedman congratulated Iris, stating she will be missed by both the Industry and USPS. Joyce McGarvy, Crain Communications and National Industry Co-Chair Area Focus Groups presented Iris with a letter from Red Tag thanking her for all of her years of service. Dennis Farley, ESPN the magazine presented Iris with two ESPN the goody bags which included many items but most importantly “ESPN the pens” which he hoped Iris would use to write letters to all of us. Jim O’Brien, Time Inc. remarked that everyone has a “go to person” and Iris has always been that person in NYC. He presented Iris with a framed Time cover of herself.

Iris Mustafa thanked the attendees for the well wishes and expressed her appreciation for the great relationships she enjoyed in working with everyone. Iris introduced Hector Martinez who is covering the Manager position and stated that NYC is just fine because he will do a great job.

Hector Martinez thanked Iris and mentioned that he has some big shoes to fill. Mr. Martinez pledged his commitment and support to the mailers and stated he plans to deliver on all expectations.

Peter Pagano, Classification Specialist, PCSC, gave a presentation on what’s new from PCSC. Pete covered Electronic Copies, Marking of Supplements, and Closed Envelopes in Periodicals, Additional Entry, Folded Self Mailers and Sample Packets. Pete explained this is the first year the USPS has allowed electronic copies to be counted. He advised that PS form 3526 was modified in August 2012 to allow publishers to indicate their wish to count E copies and PS form 3526X was created to actually report it. Another recent change for Periodicals was the Optional ID Statement which allows a Periodical mailer to direct the Postmaster to send any UAA (Undeliverable As Addressed) changes to CFS (Computer Forwarding System). Dennis Farley remarked that this should help to eliminate manual returns of address corrections which have been a big problem for Periodical mailers. New standards for Folded Self Mailers will take effect in January 2013. The new standards will create clearer delineation in letter types and will provide clarity for USPS acceptance and mailers. The PCSC is still the avenue to review design compliance issues. The USPS is in the process of developing standards for mail pieces with sample packets and it is geared towards liquid and powders. This has been a joint effort between the USPS and Industry and testing was just completed in July.

Jim O’Brien, VP Distribution & Postal Affairs, Time Inc. provided a legislative and service update. Jim started with what didn’t happen with Postal reform. No bill was passed before the August recess and it didn’t get built into the Continuing Resolution. Congressman Issa tried the CR route but it was not well received. Jim advised that any Lame Duck legislation will depend on the election outcome. The only way some legislation may happen is if the Democrats hold the Senate majority and the Republicans hold the House majority. If either party takes control of both houses, nothing will happen until 2013. Jim reminded the attendees that Congress will not act in absence of crisis and that crisis will not happen until the Post Office runs out of money in the fall of 2013. Jim

spoke on Network Rationalization and commented that it really was a non event for service delays. At first glance, Time data was showing a spike in service complaints around the July start for NR but it turned out to be a math issue because the month included 5 cover dates which Time uses to log service issues. More issues equal more complaints. Jim remarked that Time is seeing a lot less issues with FSS. In June, Springfield MA had problems but those have been reduced. There are still a few problems locations but FSS delivery performance is improving. One area that still needs attention is torn covers because publishers are getting a bad reputation with subscribers.

Dave Williams, Vice President Network Operations gave a detailed presentation on Network Rationalization, FSS and MTE. Mr. Williams advised that Network Rationalization and the July service standard changes allowed the USPS to capture underutilized and redundant transportation routes. There were 46 locations in which we had to move equipment and employees to the larger gaining sites and realign or eliminate transportation. In fact, every single processing plant experienced some type of change, whether it was taking out transportation routes or making changes to their operating windows. Mr. Williams remarked that the USPS monitored the process very closely at the Field, Area and Headquarter level to identify any issues related to NR. However, there were very few reported issues and those reported were quickly resolved. Mr. Williams reminded customers that they can assist the USPS during these changes by reviewing their customer supplier agreements and conforming to the labeling list changes as soon as possible. There will be limited NR activity during the fall mailing but the USPS will begin the next wave of consolidations in January. Mr. Williams assured the group that the USPS will continue to communicate NR information so the Industry knows what we are doing. He also urged mailers to report any issues to their BSN representatives. The USPS completed two-thirds of its FSS installation this time last year and it was a huge learning curve for us. Admittedly, we did not have a very successful fall season because we struggled with FSS issues, particularly maintenance concerns. We responded to the issues by implementing tiger team reviews and subsequently we made some hardware/software changes and trained/retrained our technicians. While we were at 80% FSS availability last year, this past week we reached 97% availability. The USPS made a big investment in MTE in order to have a sufficient supply for mailers. In September, we launched MTEOR (Mail Transportation Equipment Online Ordering System) which allows mailers to order equipment online. Phase 1 which began in September is for mailers who currently receive MTE from MTEESC and Phase 2 will be implemented in 2013 for postal facilities and additional mailers.

John Stark, Conde Nast reminded everyone to let him know if there are any issues they would like him to bring up during the MTAC Leadership and Focus Meetings.

Todd Black, Time Inc. explained his role in print and production and in MTAC.

Ted brought the meeting to an end and advised that the presentations and minutes will be posted to Ribbs.

Congratulations to our drawing winners, first time attendee Robin Wall, NYC Housing Authority won a print of the White House, and long time attendee Erin Flanagan, McGraw Hill won a Statue of Liberty print.

Please note the NEA Industry Focus Group schedule of events for 2013:

January 24th, 2013 New Haven CT hosted by the NEA and CT Valley District

June 20th, 2013 New York, NY hosted by NEA and NY District

October 3rd, 2013 Boston, MA hosted by the NEA and Greater Boston District

All presentations are online at ribbs.usps.gov.