



Five-Day Delivery MTAC Briefing

Sam Pulcrano, Vice President, Sustainability
Bob Michelson, Manager, Program Management
and Support

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Today's Agenda

- **Reasons for five-day delivery**
- **Summary of five-day proposed operations plan**
- **Five-day start-the-clock changes**
- **Stakeholder input and mailer issues**



Reasons for moving to five-day delivery

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Reasons for moving to Five-Day Delivery

- **Decreasing mail volumes**
- **Increasing delivery points**
- **Mail mix now yielding larger volumes with lower contribution margins**
- **Existing cost cutting programs not enough**
 - In FY2009, the Postal Service successfully removed more than \$6 billion in costs
 - FY2009 operating loss = \$3.8B
 - Operating losses forecasted



Summary of proposed five-day operations plan

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Five-day proposed operations plan summary

- **No Saturday street address delivery except:**
 - Deliver Express Mail to street addresses
- **No scheduled weekend box collections except:**
 - Collect Express Mail from Post Offices and Express Mail collection boxes
- **Continue Saturday Post Office services:**
 - Post Offices with current Saturday hours remain open
 - Deliver all mail to PO boxes



Five-day proposed operations plan summary

- **Continue availability of remittance mail that is P.O. Box addressed 7 days a week**
- **Continue Saturday acceptance of bulk mail**
 - Post Offices, bulk mail entry units, and detached mail units currently open Saturday and Sunday will remain open and accept mail
 - Destinating/incoming drop shipments
 - Facilities now open will remain open and accept mail
 - Destination delivery unit hours reduced to window hours
 - Carrier annexes staffed as necessary



Five-day proposed operations plan summary

- **Process originating/outgoing mail Monday- Friday**
 - Mail accepted at a Post Office on Saturday will be processed on Monday
- **Continue to process all mail in the NDCs.**
- **Continue to transport originating/outgoing mail during weekends between Network Distribution Centers and plants**
- **Continue to process destinating/incoming mail at plants Monday – Sunday to support delivery:**
 - Street addresses Monday - Friday
 - PO Boxes Monday - Saturday
 - Remittance mail Monday - Sunday
- **Reduce transportation of mail between plants and Post Offices on Saturday and Privileged**



Five-day start-the-clock changes

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Five-day start-the-clock changes

- **No changes to current service standards rules**
- **Origin Entry – Post Offices**
 - Start-the-Clock Saturday for Express Mail
 - Start-the-Clock Monday for:
 - Priority Mail
 - First-Class Mail
 - Periodicals Mail
 - Standard Mail
 - Package Services Mail



Five-day start-the-clock changes

- **Origin Entry – Bulk Mail Entry Units (BMEUs)**
 - Start-the-clock on Monday

- **Optional: start- the-clock on Saturday**
 - Available only at Bulk Mail Entry Units co-located with plants
 - Local Sectional Center Facility mail must be separated, pre-sorted and entered prior to Critical Acceptance Time (CAT)
 - Will require mailers to
 - Document in PostalOne! (mail.dat) or Postal Wizard
 - Provide Letter Mail in full tray equivalent 90–100% utilized
 - Overflow letter mail provided in a separate tray



Five-day start-the-clock changes

- **Origin Entry – Detached Mail Entry Units**
 - Start-the-clock and mail make up governed by Customer/Supplier Agreements
- **Destinating Entry**
 - Continue start-the-clock on Saturday/Sunday



Stakeholder input and mailer issues summary

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Stakeholder input and mailer issues

- **Briefed Five-Day concept to stakeholders**
 - Union/management associations
 - Major mailers/associations
- **Conducted market research**
- **Identified common “Mailer Issues”**
- **Refined operations plan**



Common mailer issues

1. Election mail
 2. Perishables
 3. Medicines/hazmat lab specimens
 4. Remittance mail
 5. Firm holdout
 6. Newspapers
 7. Magazines
 8. Priority Mail delivery Saturday
 9. BMEU closed Saturday, DMUs open Saturday
 10. Drop-ship accepted Saturday
 11. Saturation mail
 12. Meeting Standard Mail in-home delivery dates
 13. Live animals
1. Saturday delivery 2-3 weeks before Christmas
 2. Effect of weekend and three-day holiday on Monday/Tuesday delivery and collections
 3. Standard Mail committed delivery Monday
 4. Express Mail Saturday acceptance
 5. Saturday delivery of government checks
 6. Transportation between BMCs, SCFs and DDUs
 7. Collection of single piece First-Class Mail Saturday
 8. Customers with time sensitive mail need Saturday to remain "day zero" for destination entered mail



Operational plan addresses mailer issues

- **No Saturday delivery to street addresses or collections**
 - Provide appropriate lead time for customer (mailer and recipient) adjustments
 - Post and communicate new collection schedules
- **Continue Saturday Post Office services**
 - Post Offices currently open will remain open and accept mail
 - Deliver mail to P.O. Boxes



Operational plan addresses mailer issues

- **Continue availability of PO Box addressed remittance mail 7 days a week**
- **Firm holdouts**
 - Local — available Monday-Friday
 - P.O. Box option available if needed Saturday
 - National — available Monday-Saturday for P.O. Box-addressed mail



Operational plan addresses mailer issues

- **Plan for timely delivery of mail on Monday or after 3-day holiday weekend**
 - Postal Service already does timely delivery of mail after holiday weekend at least 5 times a year
- **Continue weekend destinating/incoming mail processing and transportation to support Monday delivery to street addresses**



Operational plan addresses mailer issues

- **Continue Drop Ship Entry on Saturday and Sunday**
 - Continue start-the-clock on weekends
- **Continue bulk mail acceptance on Saturday and Sunday**
 - Provide option for Saturday start-the-clock



Operational plan addresses mailer issues

- **Continue Express Mail delivery and collection from dedicated boxes/retail units**
- **Deliver parcels Saturday 2-3 weeks before Christmas, if needed**
- **Live animals, medicines and perishables**
 - Change DMM to require arrival at DDU Monday-Friday for live animals and perishables and encourage for medicines
 - Option to use Express Mail for delivery Saturday



Operational plan addresses mailer issues

- **Treat Election mail with FIM like remittance mail if P.O. Box-addressed**
- **No delivery of government checks Saturday**
 - Provide appropriate lead time for mailer and recipient adjustments



Mailer adjustments

- **No delivery to street addresses on Saturday**

- Newspapers
- Magazines
- Local firm hold out
- Priority Mail & Parcels
- Standard Mail
- Government checks

- **No scheduled collections or outgoing processing on Saturday**

- Remittance mail
- Correspondence
- Priority Mail
- Election Mail
- Post Office acceptance

- **Delivery on Monday or after three day holiday**

- Standard Mail
- Periodicals Mail



Questions?

Sam Pulcrano

Vice President, Sustainability

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