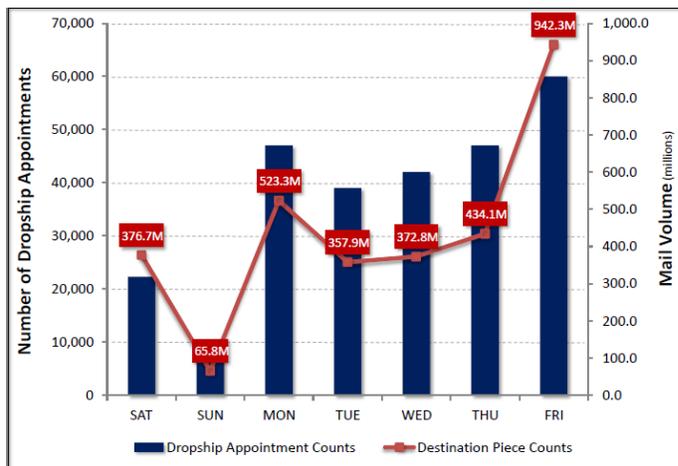


Resolution Statement: Workgroup #157 – Evaluation and recommendation of vetted proposals that could be implemented to load level

Completion date: 12/27/2013

Purpose of the Workgroup

Review the current processes and procedures for the load leveling of volumes across days of the week. Strategize on future initiatives that would meet the objective of load leveling volumes across days of the week. Analyze future possible initiatives in a cost / benefit format to provide viable recommendations to the postal service.



The chart to the left illustrates the challenge the USPS is facing regarding a disproportionate amount of mail being deposited on Friday causing overtime hours to work on Sunday.

Participation and Discussion Format

The workgroup was formed in April 2013. Representatives from 18 different companies including mail owners, printers, mailing service providers, and software companies participated in the discussion. The workgroup met through a series of teleconferences and face to face meetings during the course of nine months and evaluated potential solutions.

Some Options Identified and Evaluated

- Eliminate Sunday as a day of measurement
- Change critical entry times for a selected day of the week
- Add an additional day to service standards for mail entered on Thursday after 1600 CET, Friday or Saturday

The workgroup also discussed a two week study, which the commissioned to be done at the South Jersey Processing and Distribution Plant. This study would evaluate potential load leveling changes. The test took place September 12 through September 26, 2013. It involved 100 zones, 1190 delivery routes,

and included 5.3 million pieces of mail. Signs were changed to reflect proposed colors codes, reflective of processing dates, with strict adherence to machine schedules to control what mail was advanced by specific sort programs.

The USPS reported results are as follows.

Efficiency

- Reduced Total Weekly City Carrier Work Hours
 - 4.9% reduction vs Baseline Period
- Reduced Carrier Overtime and Penalty Overtime Usage
 - 35.1% reduction vs Baseline Period

Customer Service

- Improved carrier return times
 - 74% reduction in Monday's carriers returning after 1700
- Improved on-time service performance
 - 96% on-time performance achieved

Employee Satisfaction

- Overwhelmingly positive feedback
 - Management and Craft

Recommendations

Although the USPS presented encouraging test results for load leveling, concerns are still being expressed by industry regarding impact on time-sensitive mailings and supply chain impact overall. For instance, if the mail owner must still have an in-home date of Monday, the mail preparer must now factor in an earlier destination entry date for SCF induction or perhaps even look into a DDU entry date to ensure customer demands are maintained.

In the absence of a clearly agreed upon solution, the USPS is suggesting the next steps for this workgroup.

- Continue stakeholder engagement
- Add additional sites to test implementation approach
- Review comments to PRC Advisory issued on 12/27/2013, which are due February 3, 2014
- Publish a final rule by February 28, 2014
- Implement changes no earlier than March 27, 2014

Conclusion

Industry and USPS will continue to agree to disagree on an optimal solution. However, it is the final recommendation of this workgroup to officially conclude and to continue carefully monitoring the impact any changes to delivery standards will have on Standard Mail volume.