



**UNITED STATES
POSTAL SERVICE**

USPS Corporate Flats Strategy

Flats Summit

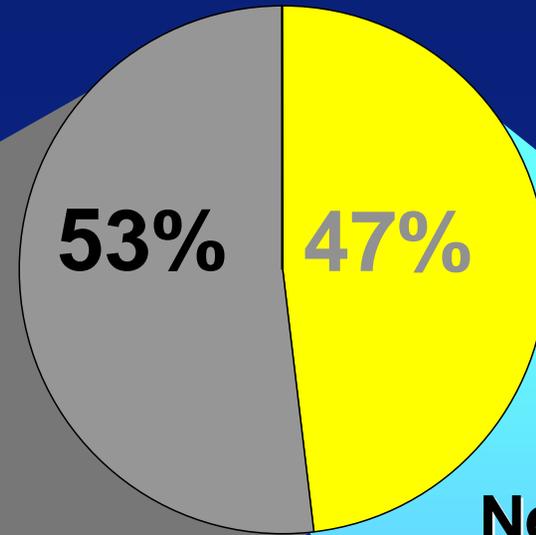
July 16, 2003



UNITED STATES
POSTAL SERVICE

FLAT MAIL VOLUME GROWTH

**51.6 billion
pieces annually**



**Needs
Processing**



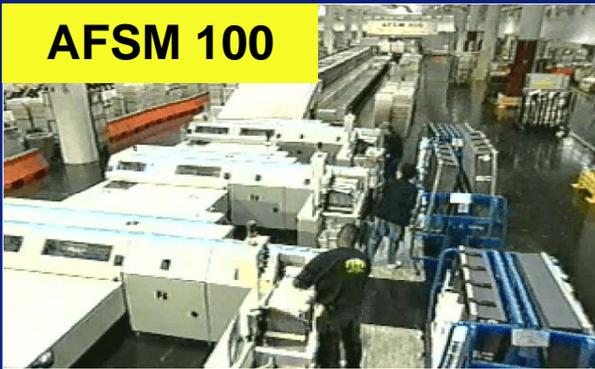
**Presorted to
Carrier Route**



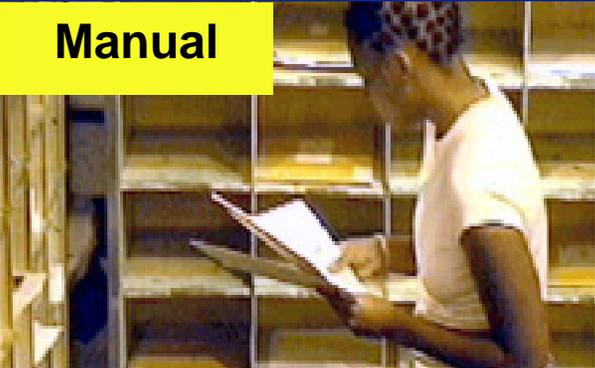
CURRENT FLAT MAIL FLOW

PLANT

AFSM 100



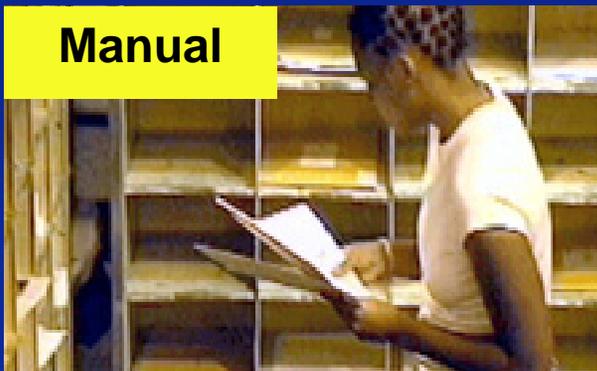
Manual





CURRENT FLAT MAIL FLOW

PLANT



TRUCK

DDU

Carrier Routed Volumes





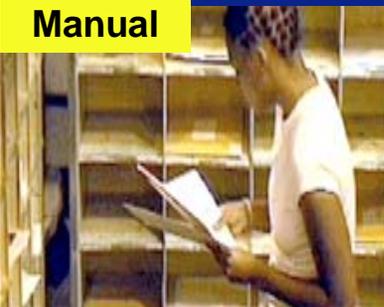
CURRENT FLAT MAIL FLOW

PLANT

DDU



AFSM 100



Manual

Carrier Routed Volumes



Vehicle Loading



Curbside Routes



Park & Loop Routes



SEARCHING FOR IMPROVEMENTS

- **Reduce Costs Through Technology**
- **Use Existing Equipment**
- **Develop New Equipment**



INDUSTRY – USPS TEAMWORK

- Working Together is Important
- Industry Participation Adds Value
- Keeping Each Other Informed
- Sharing Ideas and Suggestions



THE DELIVERY VISION

- **Minimize In-Office Costs**
- **Maximize Street Efficiency**

Should we:

- **Sequence Letters and Flats Together?**
 - **Sequence Letters and Flats Separately?**
-



CHOOSING THE RIGHT OPTION

■ OPTION 1: Delivery Point Packaging

Develop a machine that will use a one-pass system to sequence both letters and flats in delivery order.

■ OPTION 2: Flats Sequencing System

Develop a machine that will use a two-pass system to sequence only flats in delivery order.



DPP – HIGHLIGHTS

- **A One Pass System**
- **Letters and Flats Sorted Together**
- **Packaged for Delivery**
- **DPS Letter Sorting Eliminated**
- **Carrier In-Office Time Reduced**
- **Carrier Street Time Reduced**



DPP – POTENTIAL CUSTOMER CHANGES

- **DPP Unit Entry Instead of DU**
- **CR Presort Eliminated in Automated Zones**
- **11-Digit Barcode or ID TAG Required**
- **Detached Address Labels**
- **Increased 5-Digit Presort Volume**
- **Revised Rate Structure**



CURRENT ROUTE BASELINE

- ▶ **500 Possible Deliveries**
- ▶ **3 Hours Office Time**
- ▶ **5 Hours Street Time**

235,000 Routes



POTENTIAL DPP EFFECT ON DELIVERY

▶ **500 Possible Deliveries** → **750 TO 800**

▶ **3 Hours Office Time** →

▶ **5 Hours Street Time** →

235,000 Routes → **???,000 Routes**



UNITED STATES
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DPP MAIL FLOW

**CUSTOMER DROP
5D PRESORT**

DPP Unit

**SORT / SEQUENCE TO
WALK SEQ/ PACKAGED**



DPP MAIL FLOW

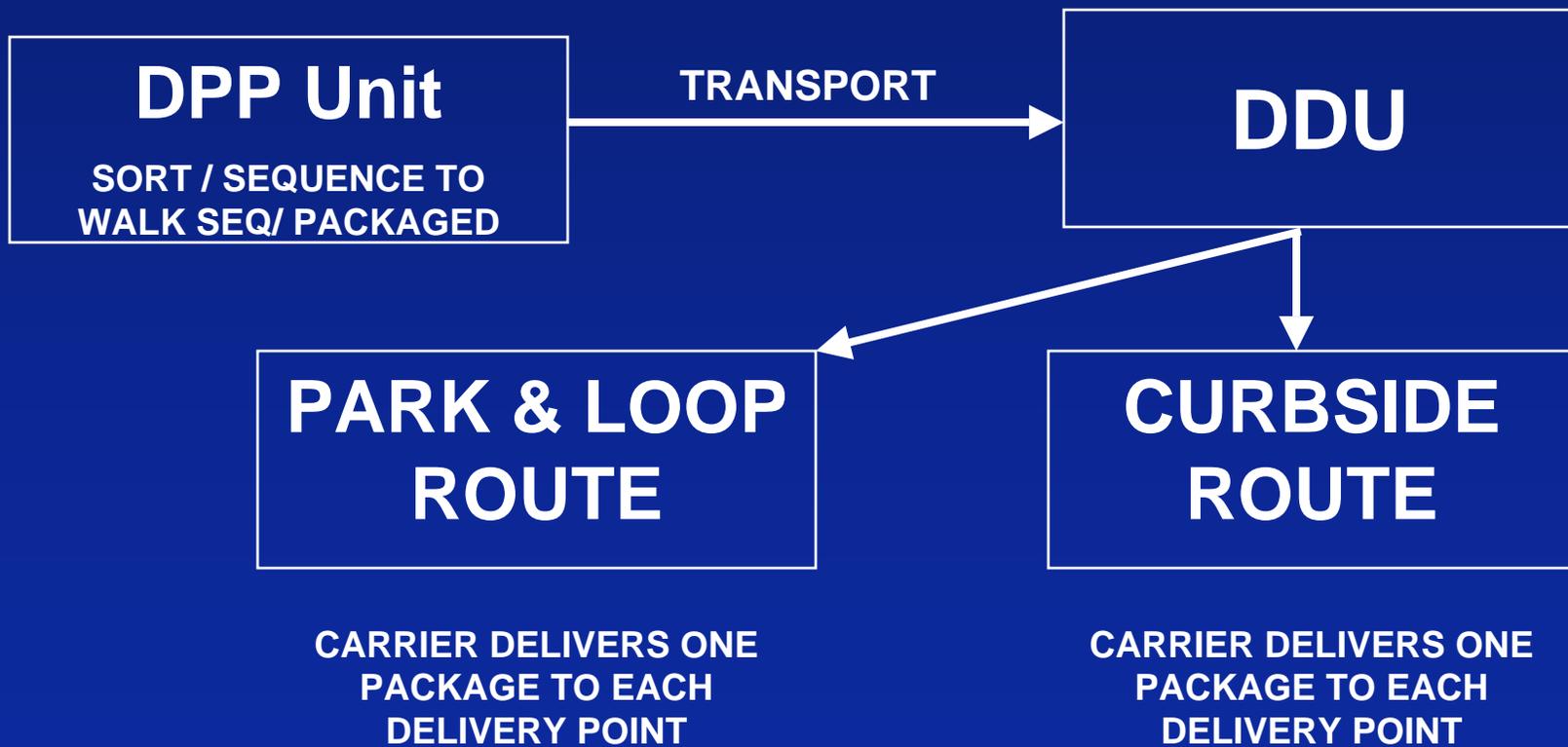
**CUSTOMER DROP
5D PRESORT**





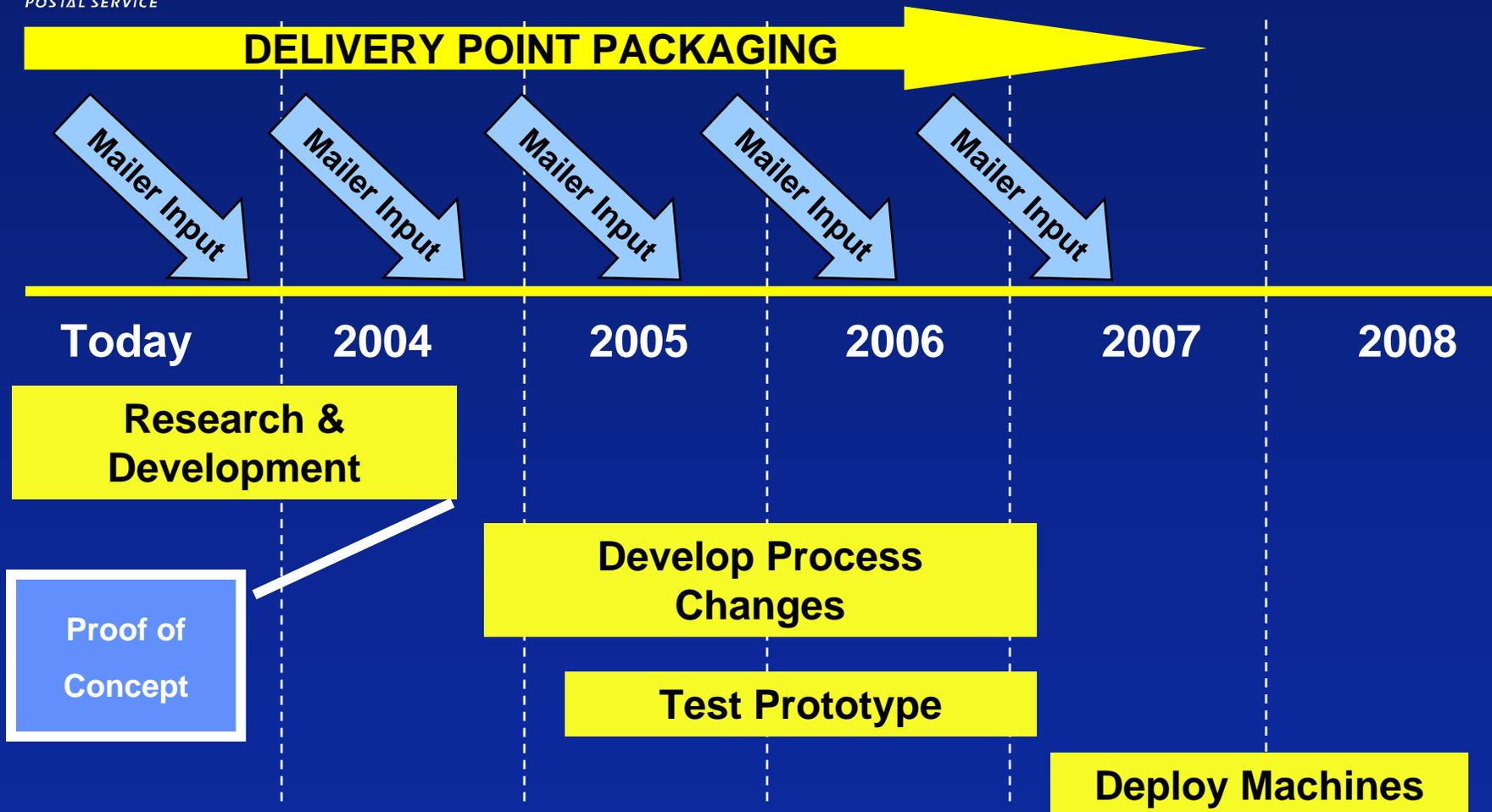
DPP MAIL FLOW

**CUSTOMER DROP
5D PRESORT**





DPP TIMELINE





CHOOSING THE RIGHT OPTION

■ OPTION 1: Delivery Point Packaging

Develop a machine that will use a one-pass system to sequence both letters and flats in delivery order.

■ OPTION 2: Flats Sequencing System

Develop a machine that will use a two-pass system to sequence only flats in delivery order.



FSS – HIGHLIGHTS

- **A Two Pass System**
- **Flats Only**
- **DPS Letter Sorting Continues**
- **Carrier In-Office Time Reduced**



FSS – POTENTIAL CUSTOMER CHANGES

- **Drop Ship Entry Points Would Change**
- **CR Presort Eliminated in Automated Zones**
- **11-Digit Barcode or ID TAG Required**
- **Detached Address Labels**
- **Increased 5-Digit Presort Volume**
- **Revised Rate Structure**



CURRENT ROUTE BASELINE

- ▶ **500 Possible Deliveries**
- ▶ **3 Hours Office Time**
- ▶ **5 Hours Street Time**

235,000 Routes



POTENTIAL FSS EFFECT ON DELIVERY

▶ **500 Possible Deliveries** → **600 TO 650**

▶ **3 Hours Office Time** →

▶ **5 Hours Street Time** →

235,000 Routes → **???,000 Routes**



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FSS MAIL FLOW

**CUSTOMER DROP
5D PRESORT**

FSS Unit

**2-PASS SORT / SEQUENCE
TO WALK SEQ**



FSS MAIL FLOW

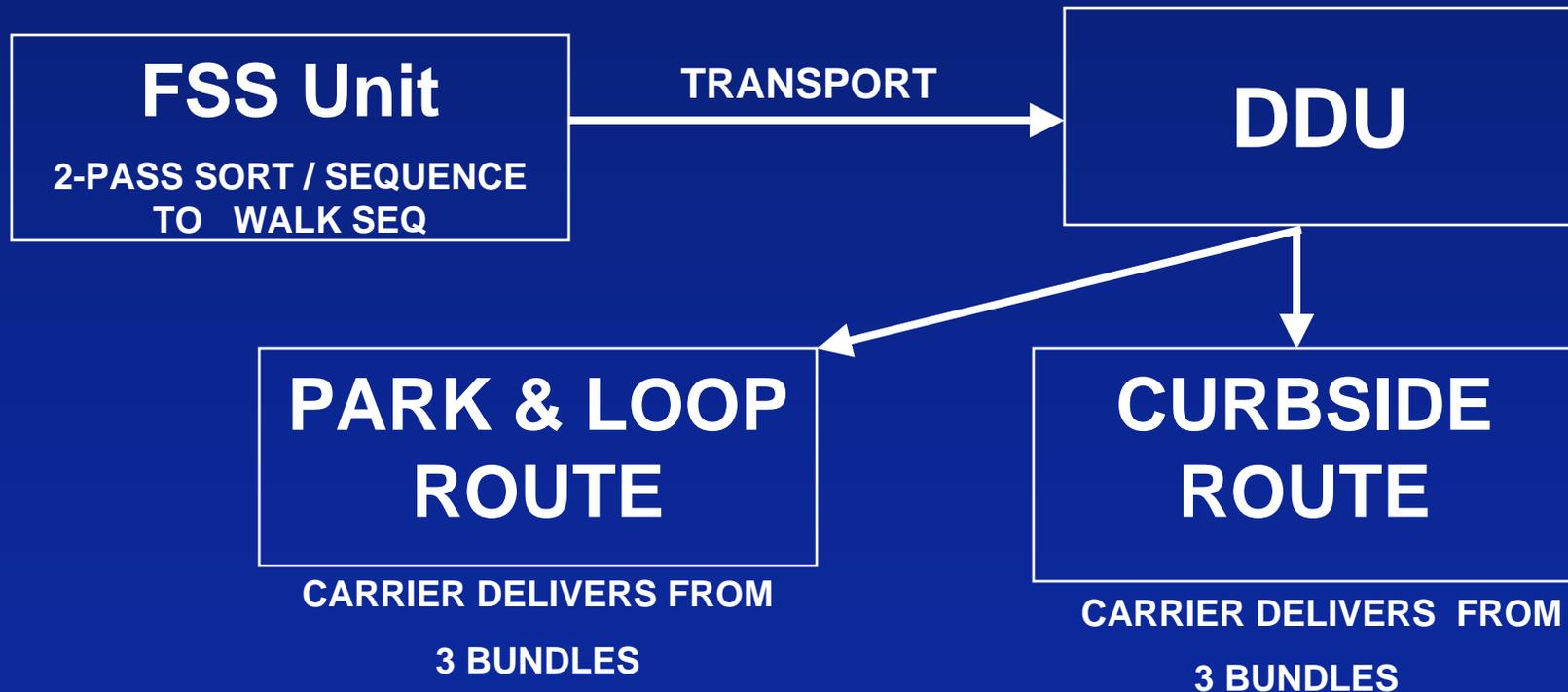
**CUSTOMER DROP
5D PRESORT**





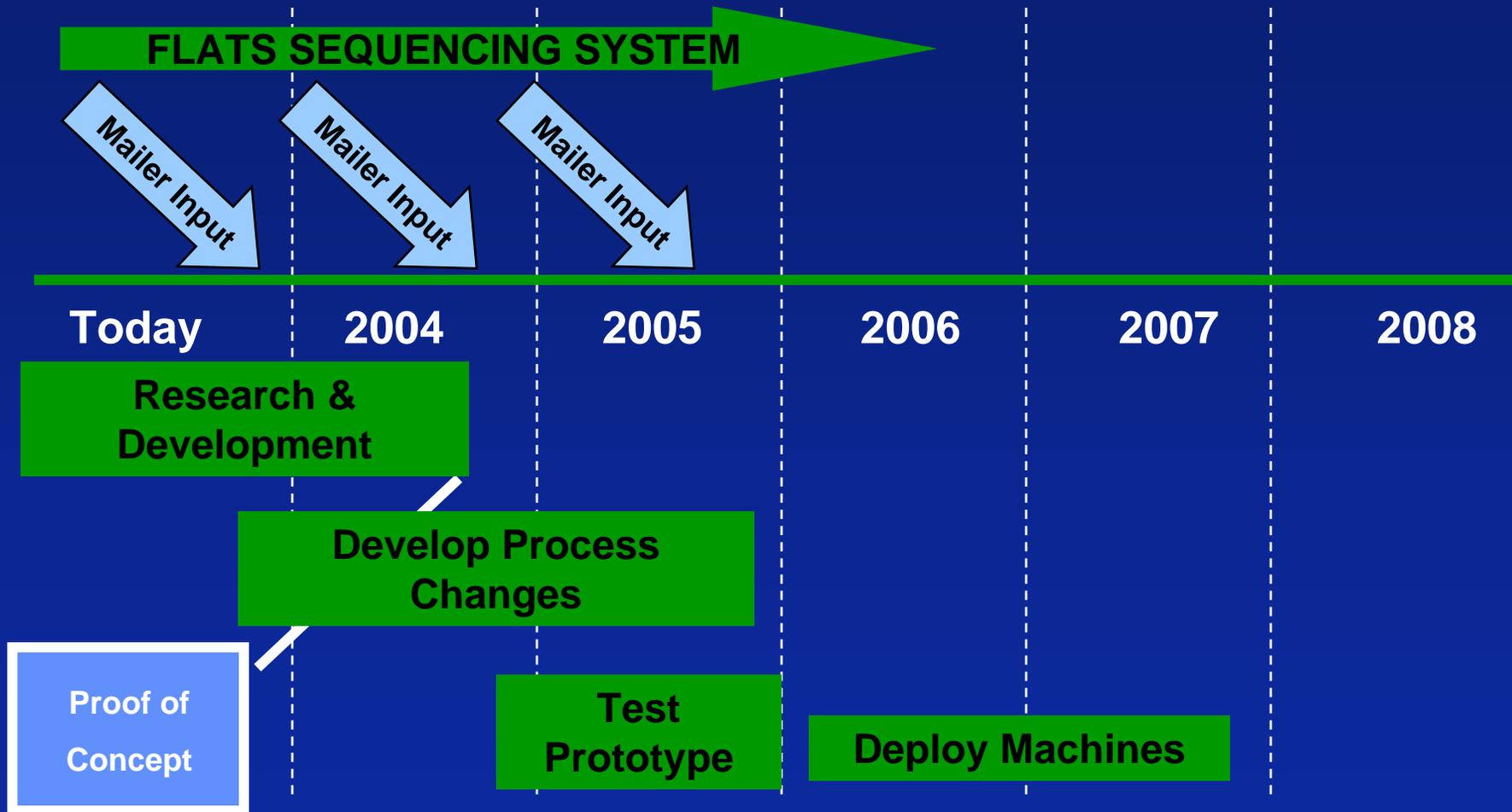
FSS MAIL FLOW

**CUSTOMER DROP
5D PRESORT**



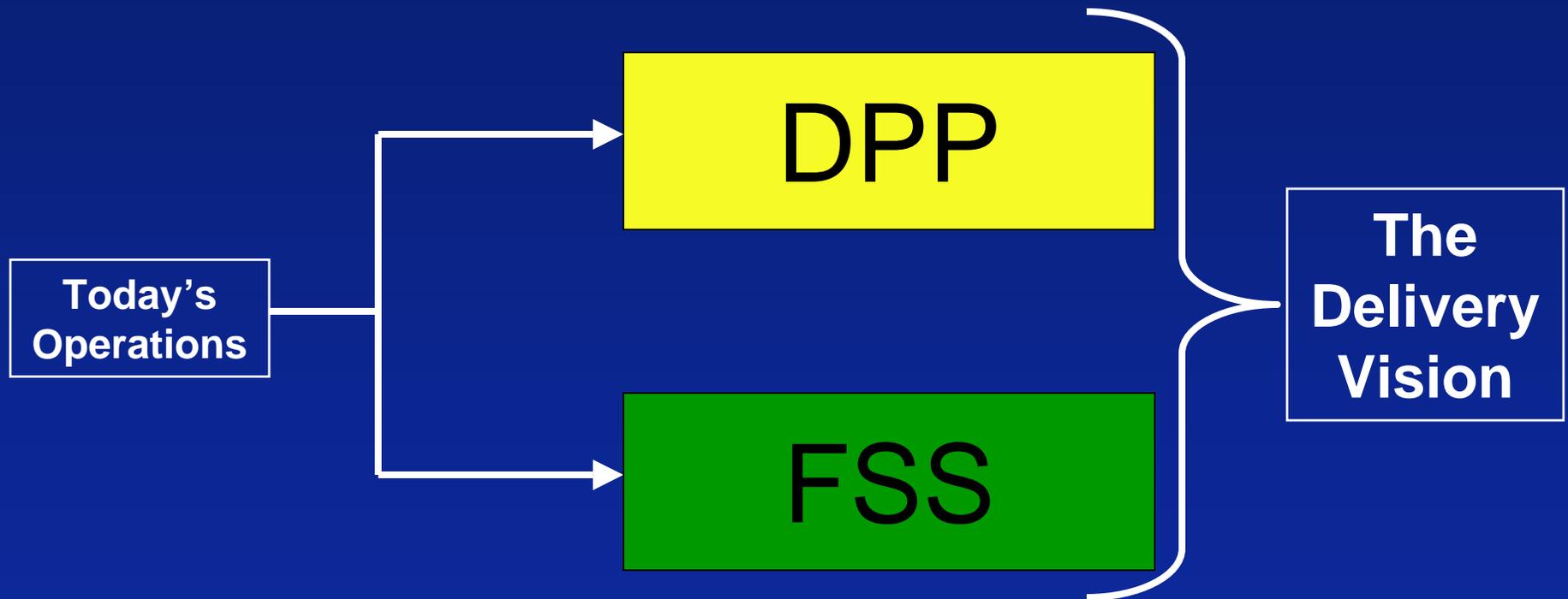


FSS TIMELINE





MAKE THE RIGHT CHOICE





FLATS STRATEGY Comments? Suggestions?

e-mail us at:

FlatStrategyFeedback@usps.gov