



Source: February 2005 Mailers' Technical Advisory Committee Highlights



Flats Sequencing System & Delivery Point Packaging Status Update

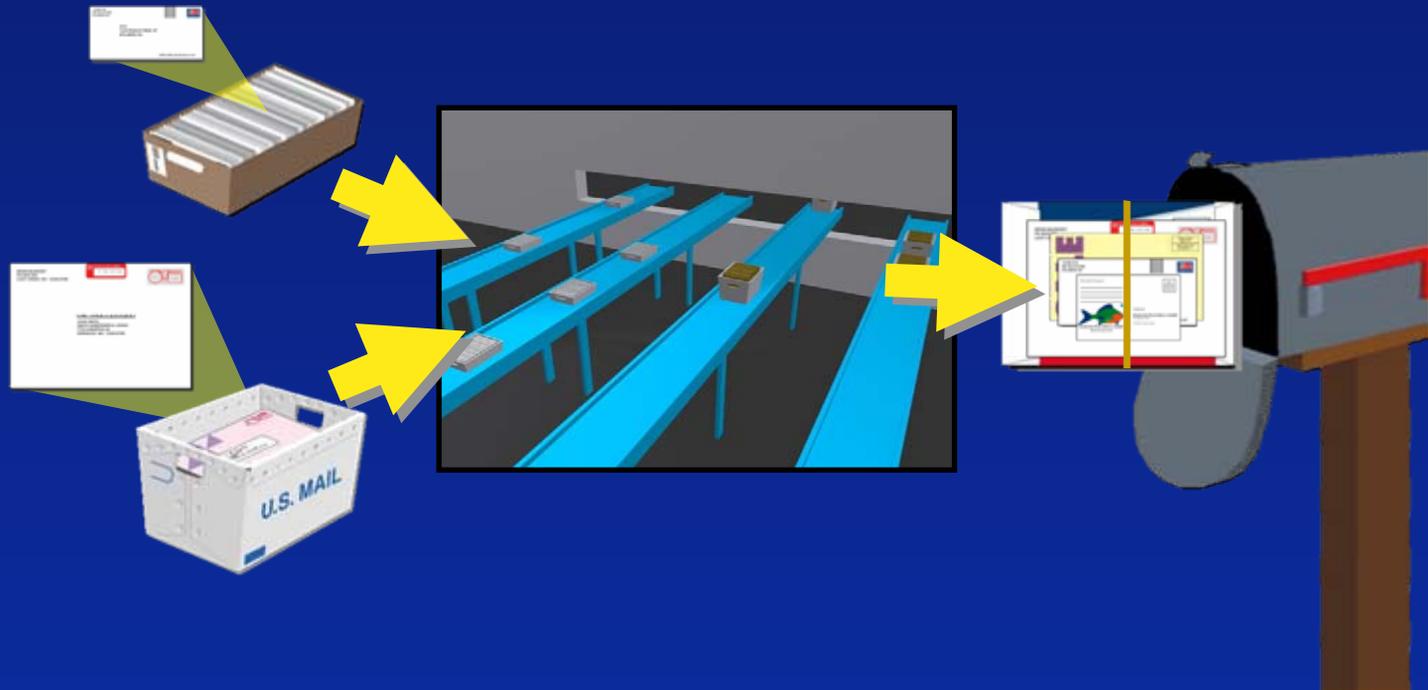
February 2005



FSS / DPP PROGRAM OVERVIEW

LONG TERM STRATEGY

DELIVERY VISION



A merged letter and flat mail stream



FSS / DPP PROGRAM OVERVIEW

LONG TERM STRATEGY

- **OPTION 1: *Delivery Point Packaging***

Develop a machine that will sequence both letters and flats in delivery order.

- **OPTION 2: *Flats Sequencing System***

Develop a machine that will sequence only flats in delivery order.



~~FSSP/RS/IN/PROG~~ PROGRAM OVERVIEW

SAVINGS POTENTIAL FOR SEQUENCING FLATS

How many flats?

51.9 + billion (FY 2004)

First Class Mail

4.6 billion (8.8%)

Periodicals class

8.9 billion (17.3%)

Standard class

38.4 billion (73.9%)

Carrier Routed Volume:

28.9 billion (FY 2004)

First Class Mail

None

Periodicals class

4.4 billion

Standard class

24.5 billion

Saturation Mail

10.0 billion



FSS / DPP PROGRAM OVERVIEW

SAVINGS POTENTIAL FOR SEQUENCING FLATS

Office Time



Averages 2-3 hours per day.

Street Time



Averages 5-6 hours per day.

TYPICAL CARRIER DAY



FSS / DPP PROGRAM OVERVIEW

LONG TERM STRATEGY

FSS:

- **Letters and Flats Sorted Separately**
 - **DPS Letter Sorting Continues**
 - **Flats Sequencing to Delivery Points**
 - **Non-Automated Residue Mail Cased**
 - **Carrier In-Office Time Reduced**
 - **Carrier Street Efficiency Unchanged**
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FSS / DPP PROGRAM OVERVIEW

FSS – TEST SYSTEM OVERVIEW

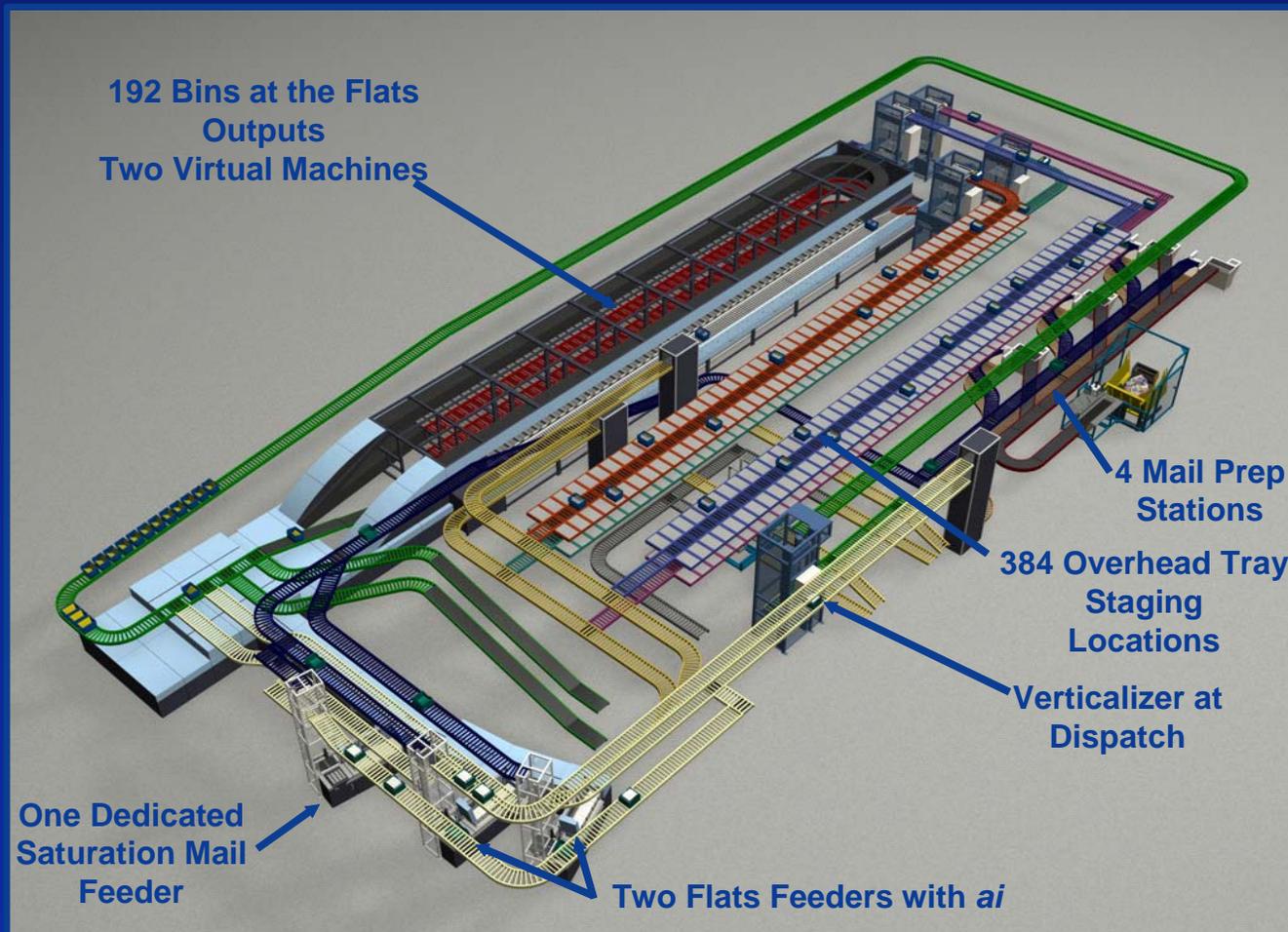
- Phase 2 Award - September 24, 2004
 - Northrop Grumman





FSS / DPP PROGRAM OVERVIEW

FSS – TEST SYSTEM OVERVIEW

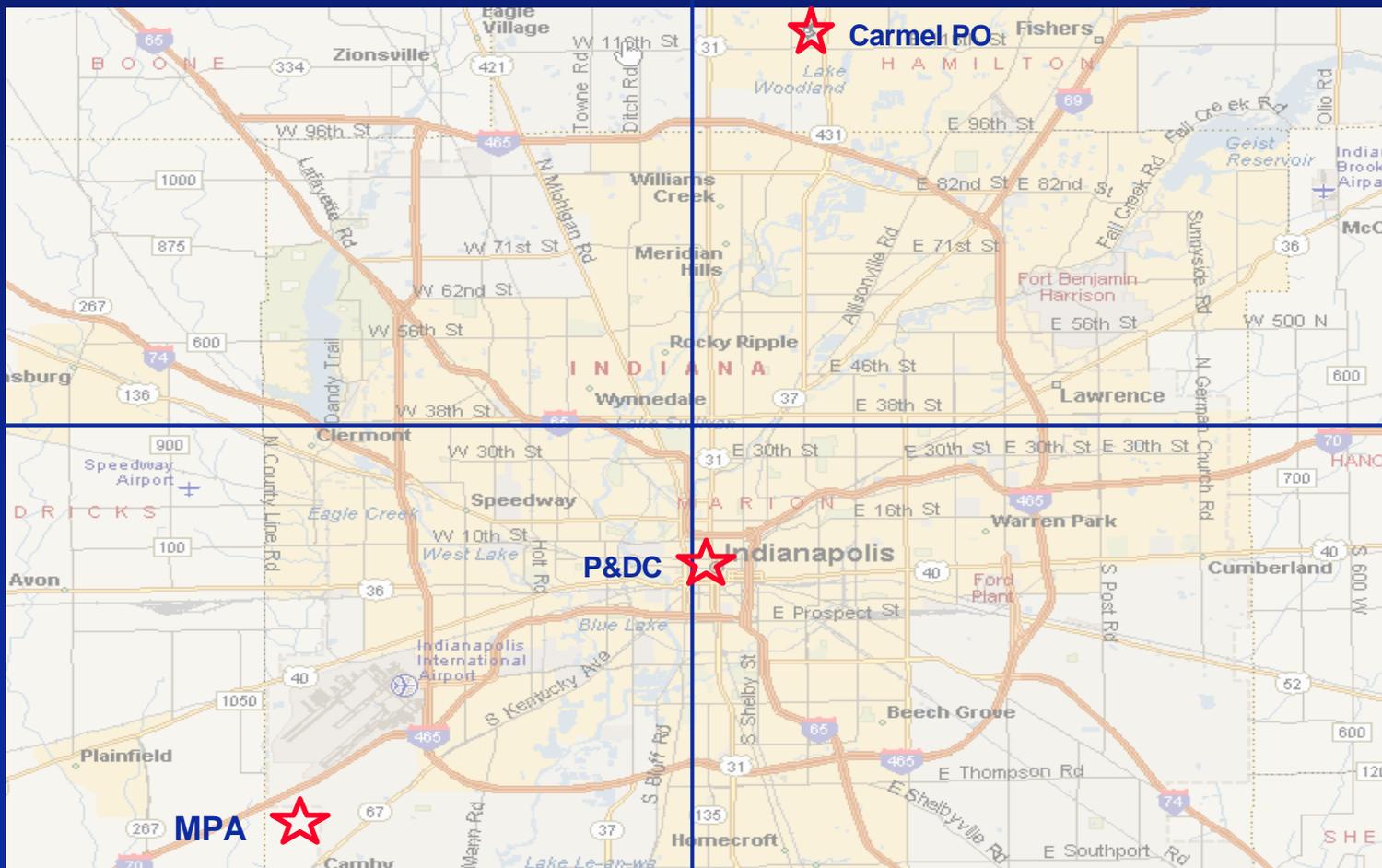




UNITED STATES
POSTAL SERVICE

FSS / DPP PROGRAM OVERVIEW

FSS TEST SITE - INDIANAPOLIS IN



Delivery Unit – Carmel, IN 46032, 46033



FSS / DPP PROGRAM OVERVIEW

FLATS SEQUENCING SYSTEM - SCHEDULE

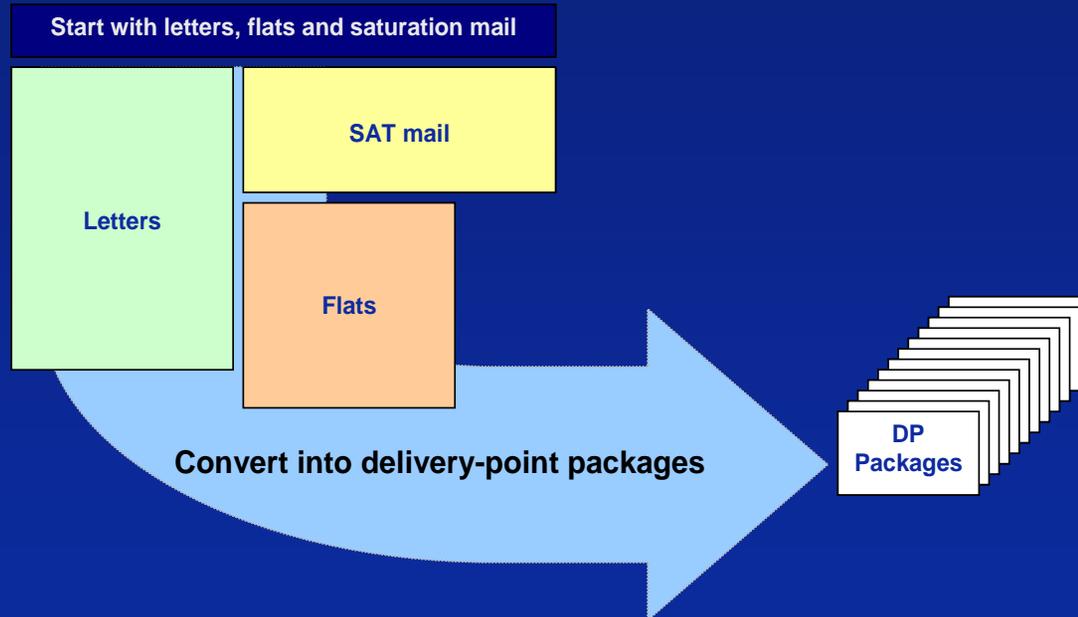
Award Prototype Contract	Sep 04
Build Prototype	Sep 04 – Oct 05
In-Plant Test	Oct 05
Field Test (9 Week)	Apr – Jun 06
Production Contract	Oct 06
Deployment	Jan 08



FSS / DPP PROGRAM OVERVIEW

GOAL OF DPP

- DPP is about merging three mail streams and packaging them in walk sequence...



- ...to reduce carrier time to case and deliver.



FSS / DPP PROGRAM OVERVIEW

DPP AWARDS

- **Four competing design concepts**
 - **Bowe, Bell and Howell**
 - **Elsag SPA**
 - **FKI Logistex**
 - **Siemens Dematic**



FSS / DPP PROGRAM OVERVIEW

DELIVERY POINT PACKAGING - SCHEDULE

Award Test Bed Contracts	Feb 05
Evaluate Test Beds	Jan – Mar 06
Award System Build Contracts	Jun 06
Award Field Test Contracts	Nov 07
Field Test	Jun – Sept 08
Production Contract	Dec 08



FSS / DPP PROGRAM OVERVIEW

POSTAL IMPACTS

- **More flat mail...**
 - **2 to 3 times the volume now sorted in plants is currently dropped directly at DU, cross-docked at plant, or only bundle-sorted in plant.**

 - **...means a greater staging space requirement...**
 - **Mail waiting to be sequenced.**
 - **Sequenced mail waiting to be transported.**

 - **...and more complex mail flow management.**
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FSS / DPP PROGRAM OVERVIEW

MAILER IMPACTS

- **11-digit bar codes**
 - **Sequence Greater Volume**

 - **Improved Address Quality**
 - **Readability & Location**

 - **Mail Makeup & Preparation**

 - **Realignment of Drop Ship Locations**
 - **Mail Entry to Coincide With Machine Location**
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