

STC REDESIGN TALK

The United States Postal Service is looking to improve and enhance the surface network that moves America's mail. This bold step is being taken to reduce costs while at the same time driving first class service to the 95% on time level. The process requires everyone to participate in improving truck utilization, improve containerization, provide maximum visibility and reduce mileage and dollars to move the mail.

As all of you know the current volumes are not what they used to be and the network we currently utilize was built to support growing volumes. Despite a 6 billion piece decline in first class over the past 4 years the surface transportation costs have grown over 1 billion dollars. We are seeing some growth in SPR's however, that growth does not support the current network from a utilization or cost perspective.

The new network is being built, looking at where we have opportunity to improve utilization and reduce underutilized containers. It requires that we start at the originating plants and look at how full our containers are. Should we be using sacks rather than half full pallet boxes, should we combine containers going to the same locations, are we using the least equipment we can for the product we are putting into the network.

It also requires discipline to launch trips on time and ensure that they have all the product for that destination. Extra trips are costly and the USPS cannot afford to send trips to offset poor dock/workroom floor discipline.

We need every employee to know what mail goes on what trip at what time. We cannot directionally dispatch. That practice is not service responsive and adds unnecessary cost to the network. We must correct missent containers. That is why scanning every container and taking steps to correct missent containers has to start now.

In the coming months you will hear more about how the changes will impact your facility. The keys now are the new network will drive out cost and improve service. What you can do now is: ensure the container being used matches the amount of product being moved, ensure that where you can consolidate containers you are, launch trips on time, ensure missent containers are followed up on, and scan every container.

We will keep you informed as we move to start with the kick off April 13, 2020.

Appreciate your efforts...