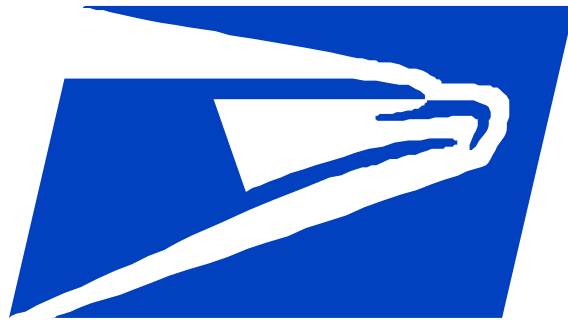


U.S. POSTAL SERVICE

Surface Transportation CMC

REQUEST FOR INFORMATION
CONCERNING A TIME-DEFINITE SURFACE NETWORK
for the U.S. POSTAL SERVICE



July 24, 2007

The U.S. Postal Service (USPS) is conducting market research to identify interested organizations with the capability to implement a time-definite mail distribution and transportation network. A synopsis of the network requirements are described in this document.

This Request for Information (RFI) is for market research and planning purposes only and does not in any way constitute a Request for Proposal (RFP). Responses to the RFI cannot be accepted by USPS to form a binding contract nor will USPS pay for the information solicited or recognize any costs associated with the submission of the RFI. The RFI provides an opportunity for industry to comment on this initiative, identify potential areas of opportunity, and make alternative recommendations in order to enhance the success of any future procurement for a turnkey network service option (as described herein). The Postal Service believes industry feedback is important and is receptive to ideas from industry which will result in realizing cost savings or highlighting potential technological solutions that could be applied to the concept.

This is not a solicitation notice.

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1 Introduction

1.1 About USPS

Each day the Postal Service receives and delivers more than 680 million pieces of mail. Distribution and transportation of these letters, parcels, catalogs, and magazines occur across a network of 38,000 Post Offices and retail outlets, and over 400 mail processing facilities. The mail is securely and reliably delivered to 143 million addresses. No other single operation in the world comes close to the level of connectivity that the Postal Service has with households and businesses across America.

Over the past several years, operations have improved to produce better, more consistent service with fewer resources. In the next five years, there will be more change. In the *Strategic Transformation Plan 2006–2010*, the Postal Service has committed to maintaining a tight focus on core products ensuring universal, affordable services, and providing the capability to communicate, reach key audiences, and help bind America together.

The *Postal Accountability and Enhancement Act*, Public Law 109-435 (2006), requires the Postal Service to develop a long-term vision for rationalizing its infrastructure and workforce. The statute specifically requires the Postal Service to address the following items:

- Development of a strategy to rationalize the postal facilities network and remove excess processing capacity and space from the network, including estimated timeframes, criteria, and processes to be used for making changes to the facilities network; and
- Identification of anticipated costs, cost savings, and other benefits associated with infrastructure rationalization alternatives.

More information on the Postal Service may be found at www.usps.com.

1.2 Current Situation

Specific to this market research effort and Request for Information (RFI), the Postal Service currently operates a national network of facilities which supports mail distribution and transportation of Standard, Periodical, and Package mail. An aging and outdated distribution and logistics infrastructure, coupled with increases in highway contract expenses, has resulted in a suboptimal surface network. For example, the current infrastructure limits the Postal Service's ability to maximize efficient industry practices, such as floor-loaded trailers.

Currently, mail products enter the surface network at both origin and destination cities in letter trays, sacks, flat tubs, on pallets, or containerized in Mail Transport Equipment (MTE). The mail is then transported via the surface network in containers. Containerized dispatches result in underutilized space above, between, and within containers, and ultimately in underutilized trailer capacity.

Several key trends have influenced and will continue to influence customer use of the mail. These trends are continuously reshaping industry capabilities and competitive market dynamics, which, in turn, have important efficiency and total cost implications for optimizing distribution and logistics networks. The Postal Service recognizes, for example, that suppliers exist with more efficient distribution technology and processes, superior technology enabling product visibility, and underutilized network capacity. Consequently, the Postal Service seeks to better understand industry technological innovations and capabilities for consideration in our strategic planning and the long-term benefit of its customers.

The Postal Service is issuing this RFI primarily for three reasons: (1) to receive feedback on its concept and approach for implementing a time-definite surface network, including potential alternative turnkey solutions based on industry and commercial best practices; (2) to substantiate the extent to which capable suppliers can provide the services and solutions to design and manage a network of the size, scope and complexity envisioned; and (3) to obtain rough order of magnitude (ROM) cost information to assist USPS with planning and its business case.

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1.3 Market Research Objective

The Postal Service is conducting market research to identify interested organizations with the capability to design and manage a time-definite distribution and transportation network. Network components consist of (1) Operations, (2) Network Design, (3) Facilities, (4) Equipment, (5) Information Technology, (6) Personnel, (7) Network Management, and (8) Security. The Postal Service desires an overall network on-time service performance level that meets or exceeds 95%, where local mail requires overnight supplier delivery, and mail traveling coast to coast requires supplier delivery in four to seven days (depending on mail class). [Appendix 2](#) provides further information on transit time expectations.

The Postal Service is requesting industry comments and capability information from organizations with the experience, qualifications, proven approaches and solutions, and industry best practices necessary to deliver and operate a time-definite distribution and transportation network for two potential turnkey mail options:

- (A) Letter Trays, Flat Tubs, Sacks, Pallets, and Parcels; or
- (B) Parcels only.

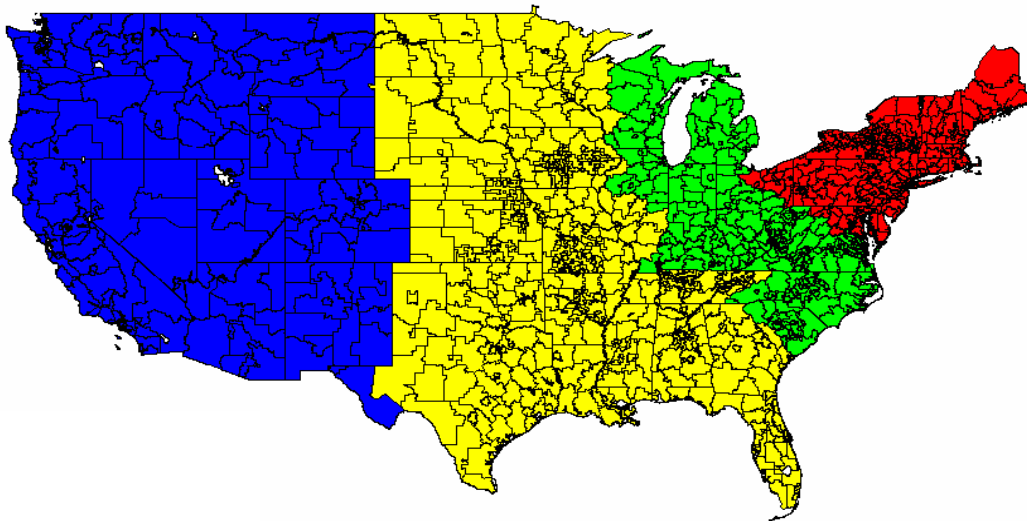
2 Network Services

2.1 Sourcing Options

For purposes of this RFI and market research only, respondents should presume the following two sourcing options for either some or all of the existing activities:

- One supplier serving the entire country for options (A) or (B); or
- Up to four suppliers serving as many as four regional areas for options (A) or (B).

The presumed regional concept is illustrated below:



Additional information on the regional concept is presented in [Appendix 3](#).

2.2 Scope and Scale of Network Operations

The Postal Service expects the network to include origin and destination distribution of all handling units and pallets in option (A) or only parcels in option (B) that are currently processed within the existing

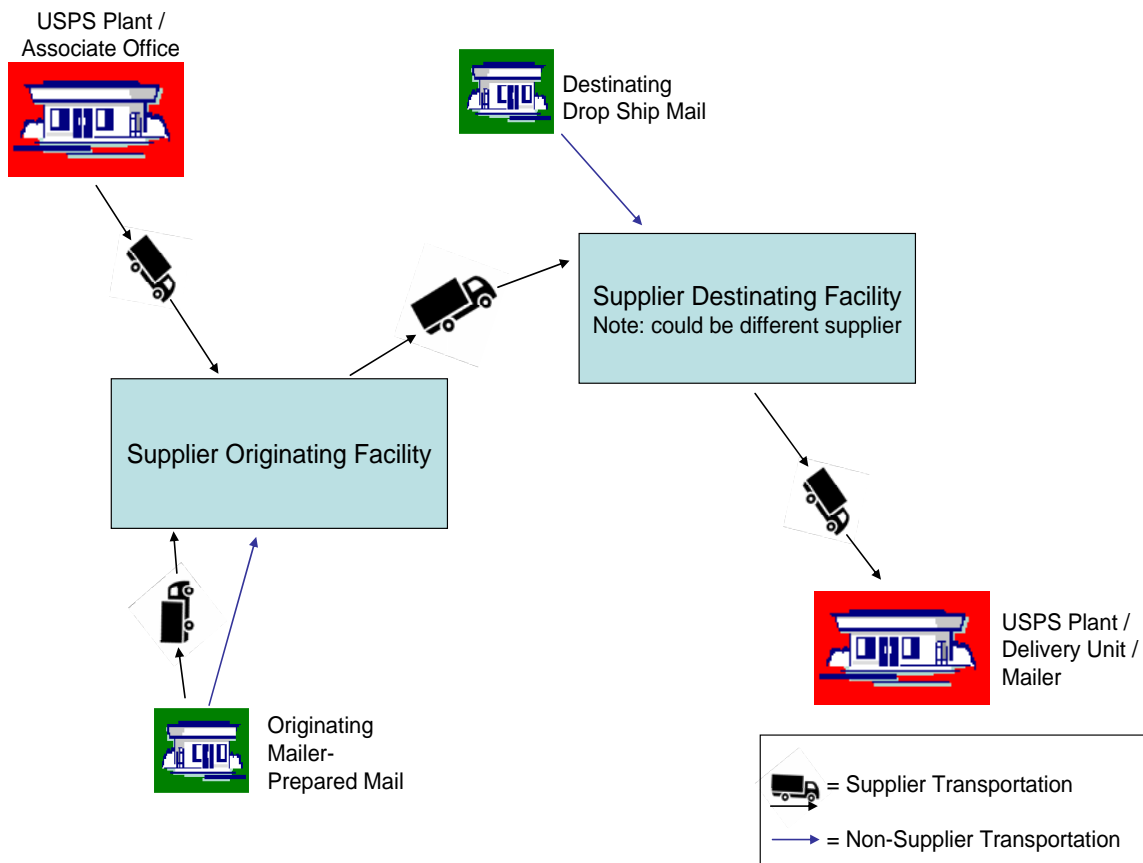
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surface network. A handling unit is defined as an individual package/parcel, letter tray, flat tub, or sack. A pallet is considered a handling unit until it is broken, and what made up the pallet (letter trays or flat tubs) become the handling units. Specifically, this work includes:

- Transportation from postal or postal customer's facilities (generally containerized trailers) to supplier's facility
- Separation and/or distribution of mail to destinating supplier facilities
- Transportation between supplier facilities (generally in floor-loaded trailers, including tandems and triples)
- Removal of sleeves from letter trays and lids from flat tubs at destination
- Distribution and containerization of mail by handling unit type
- Transportation from supplier's facility to postal plants, postal delivery units, or postal customer's facilities, as specified
- Bar code scanning throughout these activities

[Appendix 4](#) contains a list of all originating or destinating sites, and information on the distribution requirements is in [Appendix 5](#). Also, a list of current containerized transportation between the facilities is included in [Appendix 6](#).

The Postal Service presumes that an optimal network design (in terms of cost and performance) will be best achieved if potential suppliers ultimately propose designs that meet the Postal Service's business objectives yet are strategically aligned to and best suited for the suppliers' particular operational environments and unique competitive advantages. The basic design approach is presented below:



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As stated, the Postal Service presumes two potential options for the network. For purposes of conducting market research only and obtaining comments and information from capable organizations, the following volume estimates by shape were developed for options (A) and (B):

Product Shape	Est. Average Daily Volume (000s)	Est. Annual Volume (000s)	Option	
			A	B
Letter Trays	102	31,086	✓	
Flat Tubs	18	6,402	✓	
Sacks	684	249,564	✓	
Pallets	3	1,223	✓	
Parcels	3,407	1,242,858	✓	✓
Total Volume	4,215	1,531,133		

Additional information on volume estimates is presented in [Appendix 7](#).

In the current surface network, the majority of the volume processed at a facility destinations within the facility's service area. The Postal Service expects that any potential suppliers will accept volume at its facilities that is entered at destination by commercial mailers.

Respondents should presume that the anticipated period of performance will be five years, with two three-year extensions for a total of up to 11 years. Activation of the supplier network should occur within 12-15 months of approval/notification to proceed.

2.3 Product Visibility

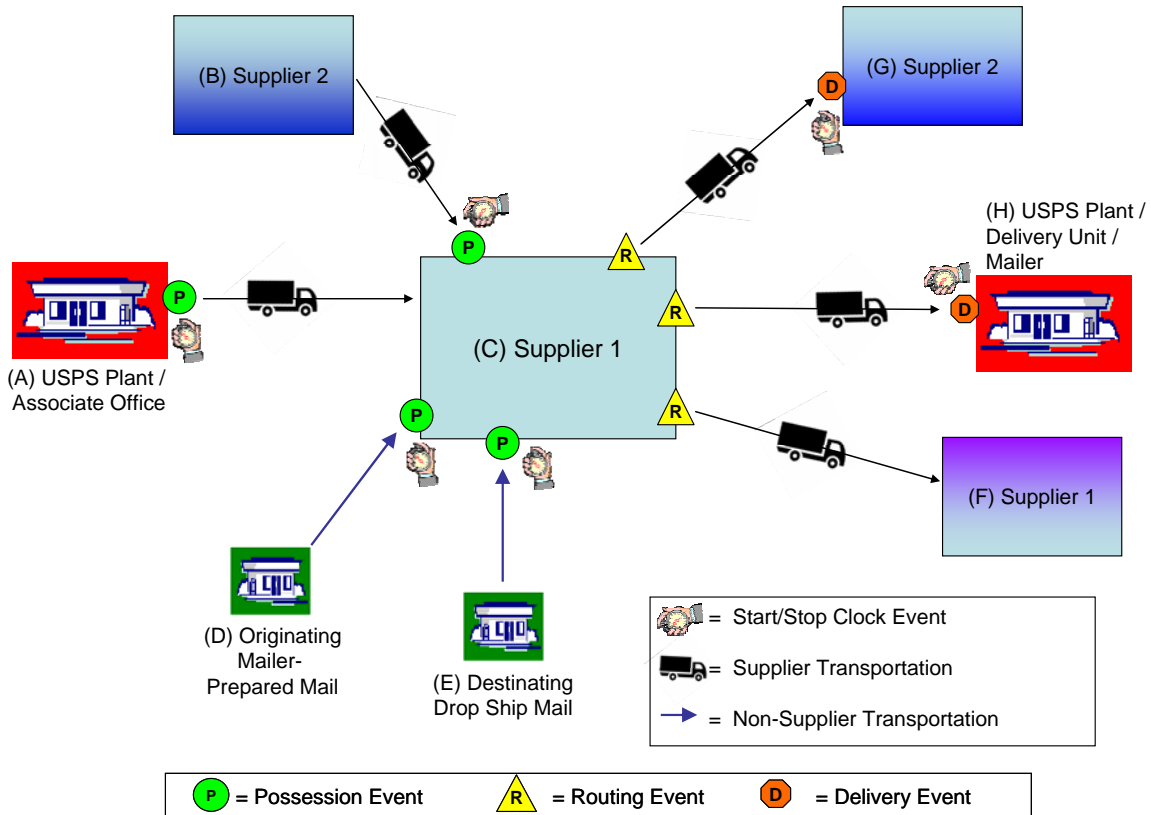
The Postal Service will use scan data to monitor network performance, support invoice processing and payment, and verify that all mail is delivered. The following product visibility characteristics of the network should be anticipated:

- Bar codes will be affixed (or the supplier will need to apply) to handling units, trailers, and containers;
- Scan data will be used to track handoffs between parties and provide visibility of mail throughout the network, from possession to delivery, including during routing of the mail;
- Handling units and pallets will be tracked either through direct scanning, nesting scans, or some other supplier-designed solution; and
- Visibility will be achieved at the trailer, container, and handling unit levels in the areas of possession, delivery, and transporting of the mail.

Timely access to the appropriate scan data and associated reports as products move through the network will improve confidence in the reliability and accuracy of supplier and, especially, multiple supplier performance-based output. It is presumed that organizations capable of performing work of the size, scope, and complexity contemplated already possess a scanning system (hardware and software) capable of reading USPS designated bar codes on individual handling units, containers, and trailers received and processed within the network. Information on Postal Service bar codes can be found in [Appendix 8](#). It is also presumed that the data will support the ability to track volume, measure transit time, generate reports, and interface with USPS information technology systems.

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A product visibility scenario has been preliminarily developed and is presented below:



Currently, some handling units do not have bar codes or the bar codes do not allow for unique tracking throughout the surface network. The Postal Service anticipates suppliers will apply the unique (facility specific) bar codes to the handling units to allow for end-to-end network tracking and support invoice processing and payment. Note: The Postal Service has not determined the exact number or percentage of the handling units that will require a unique bar code from the supplier. The anticipated amount of handling units requiring a unique bar code could be approximately 10% of the total to start, but should reduce dramatically within two years.

Furthermore, to support full visibility, the Postal Service will expect a potential supplier to apply USPS-supplied bar codes to trailers used in the transport of mail.

2.4 Performance Metrics and Standards

Respondents should expect that the Postal Service will structure some or all aspects of a time-definite surface network around the purpose and outcome desired. A key objective of the purchasing strategy will be to focus on results to the greatest extent possible. Market research will be used to modify, add to, or delete possible metrics, measures, or standards to maximize as much as possible the likelihood that the desired performance results will be achieved at the lowest possible cost.

The Postal Service is particularly interested in learning more about private-sector performance-driven solutions for comparable business requirements from organizations with demonstrated experience and proven approaches. Some preliminary standards for certain metrics have already been developed, but, at this time, should be construed as objectives or desirable performance outcomes. The Postal Service is interested in obtaining thorough industry review and additional best practices input for metrics, related measures and performance standards. Metrics currently under consideration and the related standards (if available) are:

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- On-time combined network service (95%)
- Delivery service commitments (e.g., by 1800 on the day mail is due); refer to Appendix 2
- Trailer dispatch or arrival
- Minimum service (e.g., 95% on-time; 99% no more than 24 hours late; 100% no more than 48 hours late)
- Quality assurance (i.e., maintaining a system to ensure quality)
- Product visibility (e.g., percent of handling units/pallets scanned; accurate measure with a 98% confidence level; scanning data transmitted within 2 hours of the event)
- Trailer capacity utilization efficiency

One approach the Postal Service will consider is for potential suppliers to propose performance metrics, measures, and a quality assurance plan (QAP). This may be a suitable approach if USPS elects to use a Statement of Objectives (SOO). In that case, the specific solution(s) will not be known until they are proposed. Eligible suppliers will be free to develop their own solutions, so it makes sense to tailor metrics, measures, and the QAP to the proposed solutions and to commercial and industry best practices.

3 Network Components and Key Activities

The Postal Service is assuming a conceptual design that will include a turnkey network solution for either options (A) or (B) consisting of the eight components and associated key activities presented below. Network components consist of (1) Operations, (2) Network Design, (3) Facilities, (4) Equipment, (5) Information Technology, (6) Personnel, (7) Network Management, and (8) Security.

The Postal Service will be interested in leveraging a supplier's existing capabilities. This includes, but is not limited to, automated distribution of individual handling units, product visibility, floor loading mail, utilizing tandem and triple trailers, or exploring other industry best practices to maximize trailer utilization and minimize the number of trips, particularly between originating and destinating facilities.

3.1 Operations

Key activities will include:

- Transportation
 - Transport from originating postal or postal customer facilities to its facility, 7 days per week between 1400 and 0200 the following day
 - Transport outbound trailers to its own or another supplier's facility that serves the destinating service area, if necessary
 - Transport mail to its final destination for delivery: USPS plants for acceptance between 0800 and 2400 each day, 7 days per week; large mailer facilities and delivery units for acceptance between 0800 and 1600 each day, 6 days per week (excludes Sunday)
- Distribution
 - Unload containers, distribute the volume to the destinating supplier's facility service areas, if necessary, and load the outbound trailers to maximize efficiency
 - Distribute destinating mail by shape (letter trays, flat tubs, sacks, direct or cross-docked pallets, and parcels), product type, and distribution level into containers
 - Remove sleeves from letter trays and lids from flat tubs at destination, prior to loading into containers
 - Load containerized and palletized volume for final delivery to USPS
- Mail acceptance at its facilities
 - Accept mailer-prepared mail at origin or destination facilities from Postal Service customers
 - Validate shipping forms
- Return the mail as prescribed according to established service expectations
- Special handling

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- Transport mailable hazardous material and comply with all hazardous materials requirements (refer to the Postal Service's [Domestic Mail Manual \(DMM\), Section 601](#))
- Rewrap or seal damaged articles when necessary
- Separate and return to the Postal Service loose articles that cannot be matched with a package/envelope, mail without a ZIP Code, non-network mail (e.g., Express Mail, First-Class Mail, Priority Mail)

3.2 Network Design

Key activities will include:

- Propose a network design encompassing facilities, equipment, and staffing to receive, scan, distribute, transport, and return mail back to the Postal Service or another network supplier
- Plan to accommodate volume fluctuations and seasonal spikes
- Develop and follow contingency plans

3.3 Facilities

Key activities will include:

- Control the necessary facilities to meet the proposed network design, proposed activation schedule, and performance standards
- Maintain facility support services

3.4 Equipment

Key activities will include:

- Control the necessary equipment (transportation, mail distribution, materials handling, data collection, and administrative) to meet the proposed network design, proposed activation schedule, and performance standards. Note: The Postal Service expects to provide the necessary large MTE (i.e., rolling stock, cardboard, wiretainers, and pallets). The Postal Service also plans to provide access to the MTE Labeler and a printer for creating placards. Placards provide the destination bar code and are affixed to large MTE
- Maintain an accurate inventory of MTE by type
- Monitor MTE restocking levels and coordinate MTE reordering and movements with USPS

3.5 Information Technology

Key activities will include:

- Scan USPS bar codes as products move through the network
- Apply supplier unique bar codes to handling units, as required
- Provide scan data at the handling unit, container, and trailer levels
- Exchange data through USPS-defined Electronic Data Interchange (EDI) message sets

3.6 Personnel

Key activities will include:

- Provide staffing
- Designate managers, key personnel, and primary points-of-contact

3.7 Network Management

Key activities will include:

- Control all aspects of the network

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- Report operating failures or conditions affecting network performance or quality
- Create and adhere to contingency plans

3.8 Security

Key activities will include:

- Use high security locks or case hardened padlocks to secure all transported mail
- Provide access to site and facility when mail is in the facility for the Postal Inspection Service and Office of the Inspector General
- Secure the mail (from theft and weather, among other things) to meet the proposed network design, activation schedule, and performance standards
- Complete screening for staff, drivers, and subcontractors
- Establish a criminal investigative office space for exclusive use of the Inspection Service

4 Pricing Models

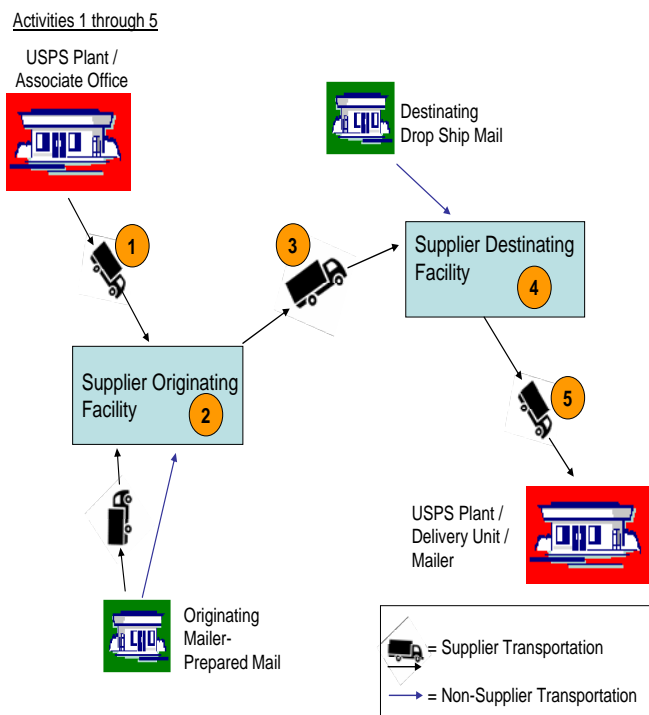
Respondents should presume the Postal Service will implement a performance-based supplier compensation model with incentives and disincentives assessed for actual network performance. The approach could use tiered (volume-variable) rates based on the number of handling units/pallets processed during originating and destinating operations. Fixed costs will be absorbed in the volume-variable pricing. The Postal Service anticipates that network services may be priced according to the following activity structure:

Activity 1 - Transportation from the originating postal or postal customer facility to the supplier's facility. The Postal Service expects a trip rate.

Activity 2 - Unloading trailers, distributing mail, loading outbound trailers going to its own or another supplier's facility, and all associated scanning. The Postal Service expects a rate for pallets and a rate for handling units (i.e., parcels, sacks, trays, and tubs).¹

Activity 3 - Transportation from the supplier's originating facility to its own facility or another supplier's destinating facility. The Postal Service expects a trip rate.²

Activity 4 - Unloading trailers, distributing mail, opening letter trays and flat tubs, containerizing mail, loading outbound trailers, and all associated scanning. The Postal Service expects a rate for pallets and a rate for



¹ Note: For purposes of determining rough order of magnitude cost information respondents should assume they would be compensated only once at a facility for each handling unit/pallet. If mail only passes through one supplier facility, a supplier should expect to be compensated for Activity 4 instead of Activity 2.

² For purposes of determining rough order of magnitude cost information respondents submitting information for only one of the four possible regions should base their submissions on the locations of the current facilities in the remaining regions, noted in [Appendix 1](#).

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handling units.

Activity 5 - Transportation from the supplier's destinating facility to the USPS plant, delivery unit, or mailer, and all associated scanning. The Postal Service expects a trip rate.

Activity 6 - Bar code application: The Postal Service expects a handling unit rate.

Activity 7 - Additional distribution separations: The Postal Service expects that suppliers will adhere to the number of distribution separations as specified in [Appendix 5](#), and that the supplier will maintain flexibility for providing an additional five destinating ZIP Code distribution separations for any/all designated mail shapes/classes per destination facility per year necessitated by mail volume or postal operations needs. The Postal Service expects a daily or annual fee for each additional distribution separation if more than five additional separations per facility per year are required.

Activity 8 - Ongoing security costs: The Postal Service expects potential suppliers to be responsible for conducting the background investigation steps for each employee handling Postal Service mail. The investigation includes drug screening, fingerprints, criminal records check, employment verification, and verification of US citizenship. All supplier employees whose duties and responsibilities involve driving vehicles are required to submit a current driving record in addition to the background investigation. The Postal Service expects a flat fee per employee related to these security costs.

Note: According to the USPS activity structure concept, the cost of other network component activities (e.g., special handling services, facilities, equipment, information technology systems support, network management) should be included in Activities 1 through 5. Department of Labor Service Contract Act wage standards will apply to the services to be supplied and will be payable to service employees under any resulting contract.

5 RFI Responses

5.1 Response Content

In their responses to the RFI, respondents should provide separate sections that comment on the Postal Service's concept and approach, corporate capability and approach, and rough order of magnitude cost information. Section and content for RFI responses are as follows:

Section 1 – Comments on USPS Strategy and Approach

1.1 Respondents are requested to comment on the feasibility of the Postal Service's draft business requirements. Based on their experience with similar projects and knowledge of industry practices, respondents are requested to provide comments on the items listed below and identify possible risks associated with implementing each component of the network and suggest mitigation techniques, especially the mitigation of fraud, waste, and abuse. Comments, at a minimum should address:

- Basic network design approach
- Elements of the network design proposal
- Product visibility
- Network components and key activities
- Performance metrics and standards
- Pricing model

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Section 2 – Supplier Corporate Capability and Approach

- 2.1 Respondents are requested to describe their corporate capability to serve as an end-to-end and/or regional provider for the time-definite network as well as their approach to deliver the eight components of the network.
- 2.2 Respondents are requested to describe the extent of their current capability (in terms of existing facilities, equipment, transportation, staffing, technology, and other resources) to serve as an end-to-end and/or regional provider for the network. Responses should specifically address capability differences for turnkey mail options (A) and (B), as well as the additional capability, if any, that will be required to deliver the eight components of the network. For the information technology component, in particular, respondents are requested to describe their current capability to read USPS designated bar codes, as well as the estimated level of effort and associated cost, if any, to achieve the required read capability.
- 2.3 Respondents are requested to describe alternative solutions that will achieve the Postal Service's network objectives and combined service standard at a lower total cost. Responses, at a minimum, should address the same items listed in Section 1 above.

Section 3 – Rough Order of Magnitude (ROM) Cost Information

Cost information is needed to assist the Postal Service with a business case development. Respondents are requested to document and list any assumptions upon which the cost estimates are made and any qualifying information, other criteria or comments.

- 3.1 Respondents are requested to provide ROM cost information anticipated based upon the (1) presumed end-to-end/national network and/or each regional network solution, (2) turnkey mail options (A) and (B), and (3) pricing model Activities 1 through 8. ROM pricing should include applicable detail related to the activities.
- 3.2 Respondents are requested to provide similar ROM cost information if providing alternative solutions. Responses should be at a level of detail sufficient to perform a comparative analysis with presumed USPS network approaches.

5.2 Instructions to Responders

All information provided in response to this RFI will become the property of the Postal Service and will not be returned.

The Postal Service does not intend to award a contract on the basis of the RFI or to otherwise pay for the information solicited.

5.3 Market Fact-Finding Conference

USPS will host a "Market Fact-Finding Conference" at USPS Headquarters on August 14, 2007. Specific time and location will be issued to interested parties who contact USPS via email by August 8, 2007. Reservations are required for the conference.

5.4 RFI Questions

Questions about this RFI should be e-mailed to Surtrancmc_SM@usps.gov. Questions should be text in the email message (not an attachment), and must be clearly stated with references to the appropriate RFI text and, when possible, examples or illustrations to help amplify or clarify the question. Respondents are encouraged to submit preliminary questions by August 8, 2007, so they can be addressed at the Market Fact-Finding Conference.

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5.5 RFI Response Preparation and Submission

Responses to the RFI must be submitted by September 14, 2007. Interested organizations may submit responses in Microsoft Word, Excel, or PowerPoint (2002 SP-2 compatible files). Responses can be e-mailed electronically as an attachment to Surtrancmc_SM@usps.gov. Email responses must be broken down into separate files so that each email does not exceed 3 MB in size. In total, responses should be limited to no more than 100 hard-copy pages.

Alternatively, responses can be mailed via US Mail to: Attn: Manager, Surface Transportation CMC, PO Box 44374, Washington, DC 20026-4374.

All responses, whether soft or hard copy, must be received by September 14, 2007.

5.6 Cover Letter

The response cover letter must contain the following information:

- Company name;
- Company point of contact: name, title, address, telephone number, fax number, and email address; and
- Date submitted.

5.7 USPS Review

The Postal Service will protect and safeguard against inappropriate information disclosure of all information marked as proprietary or business sensitive. Respondents that include in their submissions information they do not want used or disclosed by the Postal Service for any purpose other than RFI analysis and internal business planning may take the following steps:

- Include on the front page or in the introductory material of their RFI response the following: "This submission includes data that may not be duplicated, used, or disclosed outside the Postal Service, in whole or in part, for any purpose other than to evaluate this RFI response for its internal business planning. This restriction does not limit the Postal Service's right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction are contained in sheets (*respondent inserts numbers or other identification of sheets*)."
- Mark each sheet of data they wish to restrict with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this RFI response."

6 Reference

6.1 List of Appendices

Appendix 1: Current List of Facilities

Appendix 2: Transit Time Expectations

Appendix 3: Regional Areas

Appendix 4: Origin and Destination Facilities

Appendix 5: Distribution Requirements

Appendix 6: Current Containerized Transportation between Facilities

Appendix 7: Volume Data (By Region)

Appendix 8: Bar Code Specifications

6.2 Glossary

5-digit ZIP Code – Identifies the Post Office or metropolitan area delivery station associated with the address. The first three digits of the ZIP Code identify the processing plant responsible for sorting the mail at the destination.

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Automation Area Distribution Center (AADC) – A distribution center that uses multi-line optical character readers (MLOCs), barcode sorters (BCSs), and other equipment designed for processing automation-compatible mail.

Area Distribution Center (ADC) – A mail processing facility that receives and distributes mail destined for specific ZIP Code areas under the Managed Mail Program (MMP). An ADC is one of the points within the National MMP distribution network.

Associate Office (AO) – Any postal facility, including post offices, stations, branches, and retail outlets, which interfaces directly with customers.

Bar Code (BC) – A series of vertical bars and spaces that represent any numerical series, most often a correct ZIP Code for the delivery address on a mail piece. The bar code facilitates automated processing by barcode readers and scanners. Bar codes that may be used for postal processing are POSTNET, Intelligent Mail Bar Code, Interleaved 2-of-5, Code 39, Code 128, and UCC/EAN Code 128.

Business Mail Entry Unit (BMEU) – The area of a Postal installation where mailers present bulk or Presort mail and mail entered under permit imprint for verification and acceptance.

Container – Any shipping or transport item that includes more than one piece of mail in a unit for movement. The term includes sacks, pouches, trays, hampers, nutting trucks, pallets, and a variety of boxes and carts.

Containerizing Mail – The process of loading individual handling units of mail into postal mail transport equipment.

Cross-dock – The movement of containerized units of mail from one van or trailer to another at a facility that is neither the origin nor final destination of the mail. See also *Dock Transfer*.

Day 0 – Refers to the first day the US Postal Service receives the mail piece from the mailer.

Delivery Unit – A post office, station, or branch that has mail delivery functions.

Destinating – Incoming mail or mail beginning to reach its final destination.

Distribution – Handling units sorted by ZIP Code.

Distribution Label – Slide label that is placed into a label holder on postal mail transport equipment such as letter trays, flat tubs, and sacks used to identify the destination, class of mail, the level of sortation, and the origin. Labels also contain bar code information to allow sortation by handling unit.

Dock Transfer – Moving mail from one van or trailer to another on a dock without sorting or changing the packing form. However, a breakdown of mail may be performed. See also *Cross-dock*.

Drop and Pick – A process where a trucking supplier will drop a trailer at a facility and pick up another pre-loaded trailer to be transported from the facility. This process allows the facility to load and/or unload trailers in a time frame that is convenient to their operation.

Drop Shipment – Mailable items transported by the mailer, or picked up from the mailer by a non-postal commercial carrier, transported to another city, and mailed for delivery in or near the city of destination. The sortation level is maintained during processing. Drop shipments will typically enter at the destinating facility, and the mail will be for that facility's service area.

EDI – Electronic Data Interchange; every exchange of program-related data will be performed using USPS-defined Electronic Data Interchange ('EDI') message sets.

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Express Mail – The Postal Service’s premium delivery service, providing fast, reliable overnight delivery for documents and packages weighing up to 70 pounds.

First-Class Mail (FCM) – A category of mail including letters, postcards and postal cards, all matter wholly or partially in writing or typewriting, and all matter sealed or otherwise closed against inspection. First-Class Mail contains two subclasses, an automation subclass and a retail subclass. First-Class Mail is a USPS trademark.

Flat – A piece of mail which exceeds the dimensions for letter size mail (11 1/2” long, 6 1/8” high, 1/4” thick). Letter-size Priority Mail (smaller than 11 1/2” long, 6 1/8” high, 1/4” thick) must be placed in a flat rate Priority Mail envelope.

Floor Loading – Also known as deck loading or bed loading, this is a process of loading individual handling pieces into a trailer without the use of containers.

Handling Unit – An individual sack, tray, tub, or parcel transported through the postal network.

Highway Contract Route (HCR) – A contractor-operated route on which mail is carried over the highway between designated points.

Inspection Service – The investigative arm of the USPS, responsible for investigating criminal acts against the mail and misuse of the postal system, protecting mail, postal funds and property, and conducting financial, performance, and contract audits.

Label – (noun) A printed strip of paper placed in label holders of cases, pouches, or sacks showing destination, class or type of mail, office of distribution, and routing instructions. Labels are printed individually or in multiples. Also, a type of directive that provides limited information or instruction and can be fastened (glued or tied) to something, such as a wall, door, bumper, package. (verb) To imprint destination, routing, or other information on a label or facing slip. Also, to insert labels in the holders of pouches and sacks before dispatch.

Labeling List – A Labeling List defines labeling and distribution separation requirements with an associated ZIP Code range(s) for various classes of mail.

Live Load – A process where a trucking supplier’s tractor remains hooked to the trailer at a facility during immediate loading.

Mailer – An entity that prepares and/or presents a quantity of mail (i.e., a *mailing*) to the USPS. In some cases, the mailer is an agent for the actual owner of the mail.

Mail Transport Equipment (MTE) – Equipment used to move mail in plant or between authorized postal facilities. These include the Amtrak container, over-the-road containers, CON-CON container, multipurpose containers (eastern region mail container and general purpose mail container), and wire container.

Mail Transport Equipment Labeler (MTE Labeler or MTEL) – MTEL is a web-based program designed to standardize placards across the network.

MTE License Plate – The MTE license plate is a permanent bar code adhered to rolling stock. The MTE license plate bar code uniquely identifies each MTE container. It will be scanned to associate the Mail Transport Equipment Labeler (MTEL) placard bar code to a specific container.

Office of the Inspector General (OIG) – The USPS OIG is an independent entity with a multi-faceted mission that includes investigative deterrence and detection of fraud, abuse, misconduct. Its audits

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evaluate and analyze the systems and processes for moving the mail, marketing, retailing postal products, investing in infrastructure, reporting financial data, and maximizing information technology.

Opening Unit – The operational area within a distribution facility where pouches, sacks, and containers of mail are opened and prepared for distribution.

Operation – A component of a process with a distinct beginning and end.

Originating – Outgoing and local mail.

Periodical Mail – Typically a magazine, newspaper, or other periodical publication issued at least four times a year at regular, specified intervals, formed of printed sheets, issued of a known office of publication, and for which there is a list of subscribers. This class includes a subclass called Publication Service, which mandates a minimum non-advertising content in each issue, but does not distinguish between advertising and non-advertising when computing postage. The Periodical class of mail was formerly called Second-Class Mail.

Placard – Provides the destination bar code for scanning, and are affixed to large MTE.

Plant Load Mail – Mailable items picked up from the mailer by a postal carrier, generally transported to bypass at least one postal facility. Plant Load Mail will typically enter at the originating facility, and include mail for the entire country.

Processing and Distribution Center/Facility (P&DC/P&DF, or Plant) – A postal facility that processes and distributes mail.

Registered Mail – A service by which, through a system of receipts, the USPS monitors the movement of the mail piece from the point of acceptance by USPS to delivery. The sender receives a receipt at the time of mailing, and a delivery record is kept at the post office of address. This service also provides optional indemnity in case of loss or damage. Registered Mail is the most secure service offered by the USPS.

Sack – (noun) A bag used to transport mail. It is closed with a draw cord and fastener. (verb) To place mail in sacks.

Sectional Center Facility (SCF) – A postal facility that serves as the processing and distribution center (P&DC) for post offices in a designated geographic area as defined by the first three digits of the ZIP Codes of those offices. Some SCFs serve more than one 3-digit ZIP Code range.

Separate – Mail sorted based on shape characteristics or the container type.

Technical Liaison – USPS personnel stationed at the supplier's facility; will provide guidance and training to the supplier.

Throughput – The output of processed items from a machine.

Turnaround Mail – Mail that destines in the same service area from which it originates.

USPS – the United States Postal Service. Also referred to as the *Postal Service*.