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Welcome to the Flats Sequencing System (FSS) general questions and answers section. These frequently asked questions (FAQs) are updated regularly to reflect the latest changes in the Flats Sequencing System program of the United States Postal Service. Our goal is for the FAQs to be helpful and informative. Additional information about the Flats Sequencing System can be found online at http://ribbs.usps.gov/ by selecting Flats Sequencing Strategy-"All Things FSS". The FAQs are organized in following four sections:

FAQ Outline

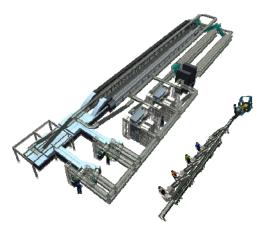
- 1. General Information
- 2. Addressing and Mail Piece Design
- 3. Mail Preparation
- 4. Entry/Processing

SECTION 1: GENERAL INFORMATION

Q: What is Flats Sequencing System (FSS)?

A: Flats Sequencing System (FSS) is a new generation mail-sortation system being deployed by the United States Postal Service to automate the sorting of flat-sized mail into delivery sequence order at high speeds.

FSS is a fully integrated two-pass system consisting of several major components. The key components of the system include: 1) automatic high speed feeders, 2) a dolly induction system, 3) carousel sorter, 4) tray staging, 5) integrated tray converters, and 6) a standalone mail prep sub-system.



Combined, these components can sequence flat mail at 16,500 pieces per hour. It is this throughput that makes the system so valuable when compared to how the Postal Service currently sequences flat mail—manually.

FSS machines are equipped with a self-contained staging and material handling system; at the end of pass-one sorting an automatic sweep occurs and all trays are returned to the feed area in correct order for immediate pass-two sequencing. At the end of the second pass, mail is automatically swept, placed into street trays, and discharged onto mail transport equipment that will be dispatched to the dock, and ultimately loaded onto trucks destined for the delivery units.

Q: Why is the Postal Service implementing FSS?

A: Prior to leaving a carrier station, the key core daily function of Postal Service delivery employees (letter carriers) is manually sorting mail into the precise order in which it is delivered. Delivery Point Sequencing (DPS) is about using machines to automatically

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sort mail into the order in which it is delivered by a letter carrier and eliminates the manual sorting process.

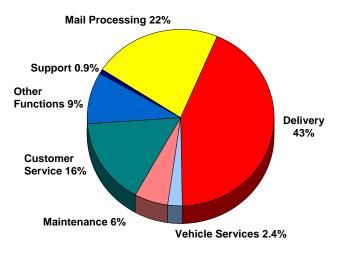
In the mid 1990's, the Postal Service implemented high-speed automated equipment to perform delivery point sequencing for letter mail. Today more than 87% of all letters are sequenced using automated equipment. As a result of letter automation we are avoiding costs of over \$5 billion annually.

The FSS is designed to perform the same automatic sequencing function for flat-sized mail, which includes large envelopes, newspapers, catalogs, circulars and magazines.

To further explain why investing in flats sequencing technology is the right move, it is helpful to understand how costs are currently attributed in the USPS. Total operating costs for the Postal Service exceed \$80 billion annually (source: 2007 Annual Report). Employee

salaries and benefits exceed \$54 billion a year and delivery makes up the lion's share of our salaries and benefits costs– 43%. The Postal Service adds nearly two million new delivery points against a base of 142 million delivery points yearly. This makes delivery the single greatest function to add cost pressure to the organization.

Delivery point growth is predicted to continue and delivery costs subsequently will rise. FSS will replicate the success of letter automation



and further target cost reductions in our delivery operations.

Q: How many machines will be deployed?

- A: The Postal Service is in the preliminary stage of a phase 1 deployment consisting of 100 FSS machines. Planning is under way for additional phases.
- Q: Where are the FSS machine locations and zones (5-digits) selected for the Phase 1 deployment?
 - A: The 100 FSS machines in phase 1 will be deployed to 32 postal facilities. See Appendix 1 for specific FSS machine locations and number of machines to be deployed to each location. Approximately 1800 5-digit zones have been identified for phase 1 and a current listing can be viewed at: <u>http://ribbs.usps.gov</u> by clicking on Flats Sequencing Strategy- "All Things FSS".

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Q: What is the deployment schedule (timeline)?

A: The FSS production machines are scheduled to begin deployment in fall of 2008, and full deployment of the first 100 machines will take about two years. See Appendix 2 for a listing by machine.

Q: How were the FSS locations selected?

A: The deployment strategy focused on targeting locations that have the highest potential for savings. Therefore, we've focused our attention on processing plants serving delivery units with the highest flat volumes and the highest average number of flats per delivery point.

Q: What is the current status of the FSS program?

A: Currently a pre-production FSS system is installed in the Dulles Processing Center in Northern Virginia. This fully operational machine is being used to test and refine machine components, gain valuable operating experience, and provide the knowledge necessary for determining optimal operational processes and development and integration of the field implementation strategy.

Concurrently, the first production FSS machine is being installed at Dulles with plans to begin testing in September 2008. Roll-out of the production program begins in October 2008. Planning for phase 2 FSS is under way and is targeted for finalization in January 2009.

Q: What is an FSS scheme?

A: An FSS scheme is a scheduled run (sort-scheme) that includes one or more 5-digit ZIP Codes[™]. Preliminary results indicate most FSS runs will sort two or three ZIP Codes[™] in the same sort scheme. The number of ZIP Codes[™] processed during an FSS run depends on the number of delivery addresses within the ZIP Code(s). FSS schemes for mailers to use for flat mail preparation will be published.

Q: What mailer impacts can be anticipated with the implementation of flats sequencing?

A: Moving from a manual process to automated sequencing of flats will necessitate implementing changes in flat mail design, addressing, barcoding, mail preparation, entry points and critical entry times. The Postal Service is working closely with mailing industry representatives through the Mailers Technical Advisory Committee (MTAC) to craft solutions that result in the lowest combined costs.

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SECTION 2: ADDRESSING AND MAIL PIECE DESIGN

Q: What changes to address placement and address formatting will take place in conjunction with FSS implementation?

- A: The new standards, effective March 2009 as published in the Federal Register (<u>http://pe.usps.com/FederalRegisterNotices.asp</u>), require the recipient address to be in the "top half" of the mailpiece on all presorted and automation Standard Mail, Periodicals, and Package Services flats.
 - o Address can appear on either the front or back of the piece.
 - Enveloped or polywrapped pieces the "top" is either of the shorter edges.
 - Pieces not enclosed in envelopes or polywrap the "top" is the upper edge when the binding is on the right.
 - Address can be placed vertically or horizontally, but cannot read upside-down in relation to the top.
 - Specific standards for font size, horizontal and vertical character spacing and recommendations for sans serif fonts and the use of all capital letters.
 - Additional information may be found at: <u>http://ribbs.usps.gov</u> by clicking on Flats Sequencing Strategy- "All Things FSS".

Q: Why are address placement and formatting changes needed?

A: In an FSS environment, all flats are sequenced in a vertical orientation and placed in delivery-ready trays so that the addresses can be visible near the top of the piece for the carrier to read. Also, standard orientation of the address location is essential for letter carrier street handling– particularly since carriers in FSS locations will no longer manually handle, orient, and sort each flat.

Additionally, proper address formatting will result in higher read and coding rates on automated sorting equipment. To achieve the desired reductions in manual casing time for letter carriers, it is critical to sequence as much mail as possible using automation. If large quantities of flat mail are unable to be processed by an FSS machine, manual workload reductions cannot be realized— thus driving up costs for both the Postal Service and our mailing partners.

Q: What should mailers do so their addresses are eligible for presort and automation discounts?

The *Domestic Mail Manual* provides addressing requirements for each type and class of mail. For presorted and automation mailings:

- To claim presorted prices, you must check the accuracy of the ZIP Codes in your address list within 12 months of mailing.
- To claim automation prices, you must process your addresses through CASS-certified address matching software.
- Move Update is required for all presorted and automation First-Class Mail mailings and, beginning November 23, for all Standard Mail mailings.

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 Additional requirements apply to Standard Mail and Periodicals carrier route mailings.

List owners should use address validation products before adding addresses to their lists and let their list suppliers know that un-validated addresses are not desirable. Several companies offer list cleansing services, and the Postal Service offers Address Element Correction (AEC) to assist with the address cleansing.

Visit the RIBBS Web site (*ribbs.usps.gov*) to learn more about Address Element Correction, address validation, and commercial address service providers. The *Domestic Mail Manual* is available on the Postal Explorer Web site (*pe.usps.com*).

Q: What size mail pieces will qualify as automation flats on FSS?

A: FSS can accommodate all mail that meets the current standards for automation processing. Below are the dimensions and maximum weights that qualify for automation rates.

Dimensions:

- o Minimum height is 5 inches. Maximum height is 12 inches.
- Minimum length is 6 inches. Maximum length is 15 inches.
- For bound or folded pieces, the edge perpendicular to the bound edge or folded edge may not exceed 12 inches.
- Minimum thickness is 0.009 inch. Maximum thickness is 0.75 inch.

Maximum weight:

- o First-Class Mail: 13 ounces.
- o Standard Mail: less than 16 ounces.
- o Bound Printed Matter: 20 ounces.
- o Periodicals: 20 ounces.

Note: Barcoded Periodicals prepared in 5-digit bundles may be thicker and heavier and still qualify for automation flats prices (maximum thickness is 1.25 inches; maximum weight is 4.4 pounds). The Postal Service will continue to evaluate these standards for Periodicals flats, as well as for Standard Mail and Bound Printed Matter.

Q: Will the FSS machines be able to read a POSTNET barcode and the Intelligent Mail Barcode (IMB)?

A: The FSS machines can read the POSTNET Barcode as well as the IMB, but barcodes will need to be the 11-digit delivery point barcode, not the 9-digit ZIP+4 barcode.

The current technical and content specifications of the Intelligent Mail Barcode are posted on the on the Web at <u>http://ribbs.usps/gov/onecodesolution/</u>.

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SECTION 3: MAIL PREPARATION

Q: How will bundle preparation change?

A: FSS processing is facilitated by mail preparation and entry that is aligned with the FSS operating plan. Preparing mail to FSS schemes (which cover a larger geographic area than a single carrier route) will be the optimal preparation. If the volume of flats for FSS zones is large enough, it may warrant pallet preparation that aligns with an automated mail preparation system. We are exploring this feasibility and will have more data in 2009.

FSS scheme bundles will simplify both bundle preparation and pallet construction. Strapping may be the preferred method for securing these bundles as it allows for ease of release when loading the automation compatible trays (ACTs) used in the FSS system, and sets the stage for future automated technology solutions.

Q: What is meant by the term an "automation-ready pallet" for FSS processing?

A: An automation-ready pallet is a pallet of uniform non-shrink wrapped, non-compensated bundles (not counter-stacked within the bundle) secured by two straps. The bundle heights are relatively uniform and are designed to fit easily into an Automation Compatible Tray (ACT) which is used to feed flats into FSS. The uncompensated bundles may be counter-stacked on the pallet to ensure stability during transportation.

The concept of an automated solution to the removal of strapping and placement of flats in the ACT is nearing the testing phase.

Q: How will FSS impact co-mailing and co-palletization?

A: The new FSS scheme preparation will encourage co-mailing and co-palletization to maximize volumes prepared directly for FSS.

Q: Will bundle preparation changes be necessary for non-FSS ZIP Codes?

A: Standardized bundle preparation supports mailer and postal processes as mail is prepared, accepted, verified, and transported. The intent is to align bundling standards for all flats, regardless of destination.

Q: Is there a timeline on the preparation changes?

A: FSS deployment will begin in October 2008 and 100 FSS machines will be deployed by October 2010. Phase 1 deployment will support 1,800 of the 8,000 candidate FSS zones. Under the umbrella of MTAC Workgroup 115, the USPS and the mailing industry are collaborating to optimize flat-mail preparation in the FSS environment.

Recommendations need to be further refined prior to initiating any changes and take into account a transitioning process as the deployment progresses. As the USPS moves toward automated mail preparation technology, new opportunities may be discovered.

Q: Can flat mail be prepared in flat trays (tubs)?

A: The large scale use of trays by mailers is problematic from a space and cost perspective. Stacks of trays are not particularly stable on a pallet and weigh considerably more than bundles.

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Current guidelines require tray preparation for First-Class Mail presorted and automation flats (see DMM 335), and Periodicals mailers have an option to prepare flats in trays instead of sacks (see DMM 707.22.7 and 25.5).

Q: How will firm bundles be handled?

A: In an FSS environment, there will still be a processing flow for firm bundles. However, with only a few pieces to a firm, it may be more efficient to sort the individual pieces into sequence if prepared in an auto-ready bundle/container rather than moving the pieces to bundle processing and manual sorting at the delivery unit.

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SECTION 4: ENTRY / PROCESSING

Q: Can mailers choose FSS or non-FSS processing?

A: No. The Postal Service will process flats as efficiently as possible. A mailer might not choose to prepare mail specifically for FSS processing, but that mail could still be processed on FSS if it is compatible.

Q: Will the Postal Service establish new Critical Entry Times (CETs) for flats?

- A: Yes, the Postal Service has implemented a national standardized CET for all destination-entered Standard Mail and Package Services:
 - o 1600 for destinating Standard Mail
 - o 1200 for bedloaded Standard Mail
 - o CET's for First-Class Mail and Periodicals will be locally determined

Q: Will the CET vary with the degree of preparation or presort?

A: The concept of varying CETs for flat mail prepared directly for FSS is being still under review. Pieces that require piece and/or bundle distribution prior to FSS processing require induction earlier to ensure availability for FSS processing.

However— CETs cannot be evaluated independently and any changes will have to consider service standards, service measurement requirements, operational requirements and processing strategies.

Q: How will Periodicals be handled if they arrive after the CET?

A: Mail entered after the established CET will be accepted and processed based on local operating conditions, but service measurement starts the next day.

Q: How will FSS impact the number of postal entry points?

A: As flats volume is consolidated for larger geographic areas, entry points for flats should not increase and may in fact decrease. The entry point for volume prepared directly for FSS would be the same for both Standard Mail and Periodicals.

Q: How are mailers notified of changing entry points?

A: FAST has a Mail Directions file that is updated by affected processing plants whenever entry points are changed. This file is accessible to all mailers. Additional information about the Flats Sequencing System deployment and entry points can be found online at http://ribbs.usps.gov/ by selecting Flats Sequencing Strategy – "All Things FSS" home page.

Q: How is high-density mail handled in the FSS environment?

A: Newspapers and high-density mail will be processed on the FSS to the extent possible.

Q: Will the Postal Service continue DDU entry and pricing?

A: DDU entry may continue where it makes business sense. DDU entry may not be offered for mail that would need to be backhauled to the plant for sequencing on FSS. Non-FSS zones and saturation mailings will likely retain the DDU option. The expansion of

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automated flat sequencing may occur at a pace and level that calls for different mailing standards within a service area.

Q: Can mailers still request in-home delivery dates?

A: The Postal Service plans to honor in-home delivery windows. However, with implementation of service measurement, mailers must align mail entry and deposit with published service standards.

Q: Will saturation mail bypass FSS processing?

A: Currently saturation mail is planned to bypass FSS processing. The overarching goal is to reduce the cost of processing and delivering flats. Saturation flats are already sequenced to cover all or nearly all of a carrier's entire route and bypass FSS.

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APPENDIX 1 – FSS PHASE 1 DEPLOYMENT LIST

Area	Districts	# FSS	FSS Location
	Northern NJ	4	NJ BMC
NYM	Long Island NY Central NJ	3 3	Mid Island NY P & DC Trenton NJ P & DC
	Central NJ	ა	Trenton NJ P & DC
	Boston	3	Northwest Boston P & DC
NE	Massachusetts	4	Middlesex Essex P & DC
	Connecticut	5 3	Springfield MA BMC Providence RI P & DC
	SE New England	ు	
EA	Columbus	3	Former Columbus OH P & DC
	South Florida	5	New South Florida L & DC (Miami)
SE	Atlanta	4	Atlanta BMC
	Central Florida	4	Orlando P & DC
	Colorado/Wyoming	5	Denver P & DC
WE	Arizona	5	New West Valley (Phoenix)
	Mid America	2	Kansas City P & DC
	Los Angeles	2	Herb Peck Annex (Los Angeles)
	Sacramento	3	Sacramento P & DC
PA	Bay-Valley & San Francisco Sierra Coastal	4 4	San Jose P & DC
PA	Santa Ana	4 3	Van Nuys Main Office Aliso Viejo CA DPC
	Santa Ana	2	Anaheim CA P & DF
	San Diego	2	Moreno Valley DDC (Perris CA)
	Greensboro	2	Raleigh NC P & DC
		2	Greensboro NC P & DC
CM	Northern VA	4	Dulles VA P & DC
	Richmond	4	New Richmond VA Facility Project
	Capital	2	Curseen-Morris P & DC (Washington DC)
	Greater Indiana	2	Indianapolis MPA
	Northern IL	3	Palatine P & DC
GL		2	Carol Stream P & DC
	Central IL	2	Fox Valley P & DC
	Southoost MI	2 2	South Suburban P & DC
	Southeast MI	2	Michigan Metroplex (Royal Oak)

APPENDIX 2 – FSS PHASE 1 DEPLOYMENT TIMELINE

	Facility	Area	Install Start Date	Accepted - Begin Operations
1	Dulles VA #1	СМ	5/10/2008	8/29/2008
2	Dulles VA #2	СМ	10/18/2008	1/16/2009
3	Dulles VA #3	СМ	11/22/2008	2/13/2009
4	Former Columbus #1	EA	1/17/2009	3/20/2009
5	West Valley (Phoenix) #1	WE	1/17/2009	3/20/2009
6	Kansas City #1	WE	2/7/2009	4/10/2009
7	Former Columbus #2	EA	2/14/2009	4/17/2009
8	Curseen Morris DC #1	СМ	3/21/2009	5/15/2009
9	West Valley (Phoenix) #2	WE	3/21/2009	5/15/2009
10	NW Boston #1	NE	3/28/2009	5/29/2009
11	Kansas City #2	WE	4/11/2009	6/5/2009
12	Former Columbus #3	EA	4/18/2009	6/5/2009
13	NJ Int's & BMC #1	NY	5/2/2009	7/3/2009
14	Curseen Morris DC #2	CM	5/16/2009	7/3/2009
15	West Valley (Phoenix) #3	WE	5/16/2009	7/3/2009
16	Indianapolis MPA #1	GL	5/30/2009	7/31/2009
17	NW Boston #2	NE	5/30/2009	7/24/2009
18	Van Nuys #1	PA	6/6/2009	7/24/2009
19	Dulles VA #4	CM	6/6/2009	7/24/2009
20	NJ Int's & BMC #2	NY	7/4/2009	8/28/2009
21	Middlesex-Essex #1	NE	7/4/2009	9/4/2009
22	Raleigh NC #1	CM	7/4/2009	8/21/2009
23	West Valley (Phoenix) #4	WE	7/4/2009	8/21/2009
24	Van Nuys #2	PA	7/25/2009	9/11/2009
25	Orlando #1	SE	7/25/2009	9/11/2009
26	NW Boston #3	NE	7/25/2009	9/11/2009
27	Indianapolis MPA #2	GL	8/1/2009	9/25/2009
28	Denver #1	WE	8/1/2009	10/2/2009
29	Raleigh NC #2	CM	8/22/2009	10/9/2009
30	West Valley (Phoenix) #5	WE	8/22/2009	10/9/2009
31	NJ Int's & BMC #3	NY	8/29/2009	10/16/2009
	Michigan Metroplex (Royal			
32	Oak) #1	GL	8/29/2009	10/30/2009
33	Middlesex-Essex #2	NE	9/5/2009	10/30/2009
34	Van Nuys #3	PA	9/12/2009	10/30/2009
35	Orlando #2	SE	9/12/2009	10/30/2009
36	Mid-Island #1	NY	9/12/2009	10/30/2009
37	Trenton #1	NY	9/26/2009	11/13/2009
38	Denver #2	WE	10/3/2009	11/27/2009
39	Greensboro NC #1	СМ	10/10/2009	11/27/2009
40	Herb Peck Annex (LA) #1	PA	10/10/2009	11/27/2009
41	NJ Int's & BMC #4	NY	10/17/2009	12/4/2009

	Facility	Area	Install Start Date	Accepted - Begin Operations
42	Van Nuys #4	PA	10/31/2009	1/15/2010
43	Orlando #3	SE	10/31/2009	1/15/2010
44	Mid-Island #2	NY	10/31/2009	1/15/2010
45	Middlesex-Essex #3	NE	10/31/2009	1/15/2010
	Michigan Metroplex (Royal			
46	Oak) #2	GL	10/31/2009	1/22/2010
47	Trenton #2	NY	11/14/2009	1/29/2010
48	Greensboro NC #2	CM	11/28/2009	2/12/2010
49	Denver #3	WE	11/28/2009	2/12/2010
50	Herb Peck Annex (LA) #2	PA	11/28/2009	2/12/2010
51	Springfield MA BMC #1	NE	1/2/2010	2/19/2010
52	Orlando #4	SE	1/16/2010	3/5/2010
53	Mid-Island #3	NY	1/16/2010	3/5/2010
54	Middlesex-Essex #4	NE	1/16/2010	3/5/2010
55	Sacramento #1	PA	1/16/2010	3/5/2010
56	South Suburban #1	GL	1/23/2010	3/12/2010
57	Trenton #3	NY	1/30/2010	3/19/2010
58	New South FL Miami #1	SE	2/13/2010	4/2/2010
59	Denver #4	WE	2/13/2010	4/2/2010
60	San Jose #1	PA	2/13/2010	4/2/2010
61	Springfield MA BMC #2	NE	2/20/2010	4/9/2010
62	New Richmond VA #1	СМ	3/6/2010	4/23/2010
63	Providence RI #1	NE	3/6/2010	4/23/2010
64	Carol Stream #1	GL	3/6/2010	4/23/2010
65	Sacramento #2	PA	3/6/2010	4/23/2010
66	South Suburban #2	GL	3/13/2010	4/30/2010
67	Fox Valley #1	GL	3/20/2010	5/7/2010
68	New South FL Miami #2	SE	4/3/2010	5/21/2010
69	Denver #5	WE	4/3/2010	5/21/2010
70	San Jose #2	PA	4/3/2010	5/21/2010
71	Springfield MA BMC #3	NE	4/10/2010	5/28/2010
72	New Richmond VA #2	СМ	4/24/2010	6/11/2010
73	Providence RI #2	NE	4/24/2010	6/11/2010
74	Carol Stream #2	GL	4/24/2010	6/11/2010
75	Sacramento #3	PA	4/24/2010	6/11/2010
76	Palatine #1	GL	5/1/2010	6/18/2010
77	Fox Valley #2	GL	5/8/2010	6/25/2010
78	New South FL Miami #3	SE	5/22/2010	7/9/2010
79	Moreno Valley Perris CA #1	PA	5/22/2010	7/9/2010
80	San Jose #3	PA	5/22/2010	7/9/2010
81	Springfield MA BMC #4	NE	5/29/2010	7/16/2010
82	New Richmond VA #3	СМ	6/12/2010	7/30/2010
83	Atlanta #1	SE	6/12/2010	7/30/2010

	Facility	Area	Install Start Date	Accepted - Begin Operations
84	Providence RI #3	NE	6/12/2010	7/30/2010
85	Anaheim CA P&DF #1	PA	6/12/2010	7/30/2010
86	Palatine #2	GL	6/19/2010	8/6/2010
87	Atlanta #2	SE	6/26/2010	8/13/2010
88	New South FL Miami #4	SE	7/10/2010	8/27/2010
89	Moreno Valley Perris CA #2	PA	7/10/2010	8/27/2010
90	San Jose #4	PA	7/10/2010	8/27/2010
91	Springfield MA BMC #5	NE	7/17/2010	9/3/2010
92	New Aliso Viejo #1	PA	7/31/2010	9/17/2010
93	New Richmond VA #4	СМ	7/31/2010	9/17/2010
94	Atlanta #3	SE	7/31/2010	9/17/2010
95	Anaheim CA P&DF #2	PA	7/31/2010	9/17/2010
96	Palatine #3	GL	8/7/2010	9/24/2010
97	Atlanta #4	SE	8/14/2010	10/1/2010
98	New Aliso Viejo #2	PA	8/28/2010	10/15/2010
99	New Aliso Viejo #3	PA	8/28/2010	10/15/2010
100	New South FL Miami #5	SE	8/28/2010	10/15/2010