

Logistics MTAC Update

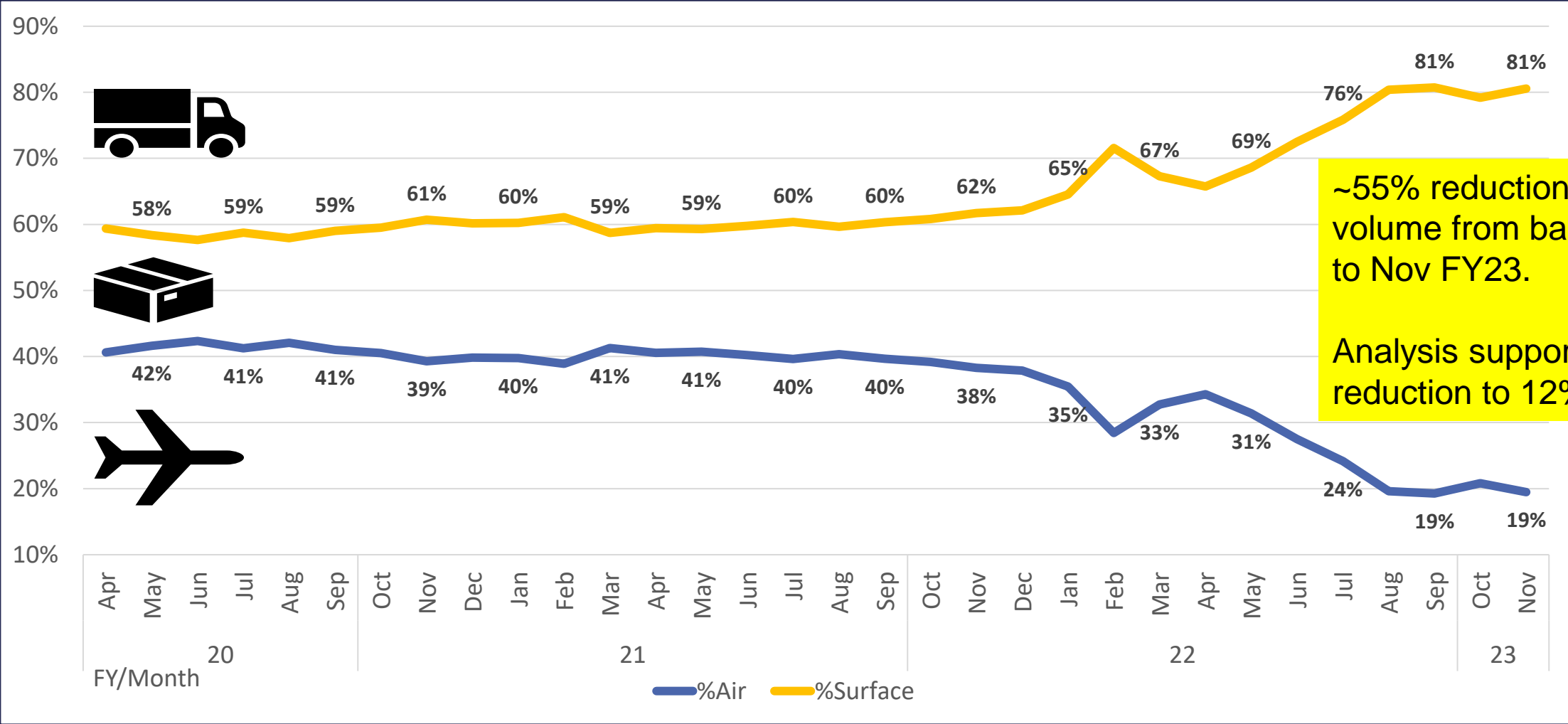
Peak Preparedness Q1 2023

Goals:

- Provide adequate MTE to fulfill the network needs
- Provide adequate scheduled and extra trip capacity
- Reduce reliance on air transportation
- Emergency response capability—National Operations Center
- Maintain or improve service while reducing cost



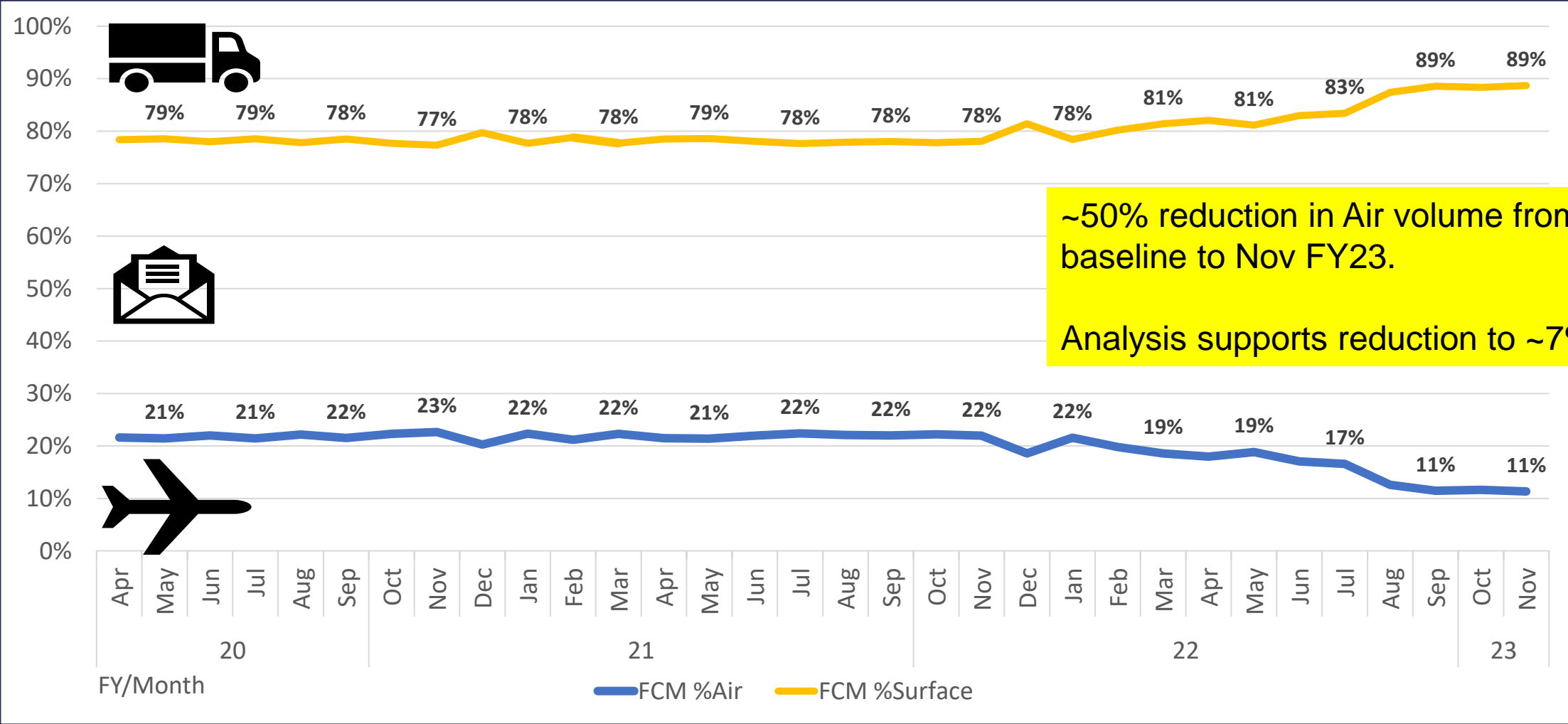
Current Progress: First-Class Package Mode Trend



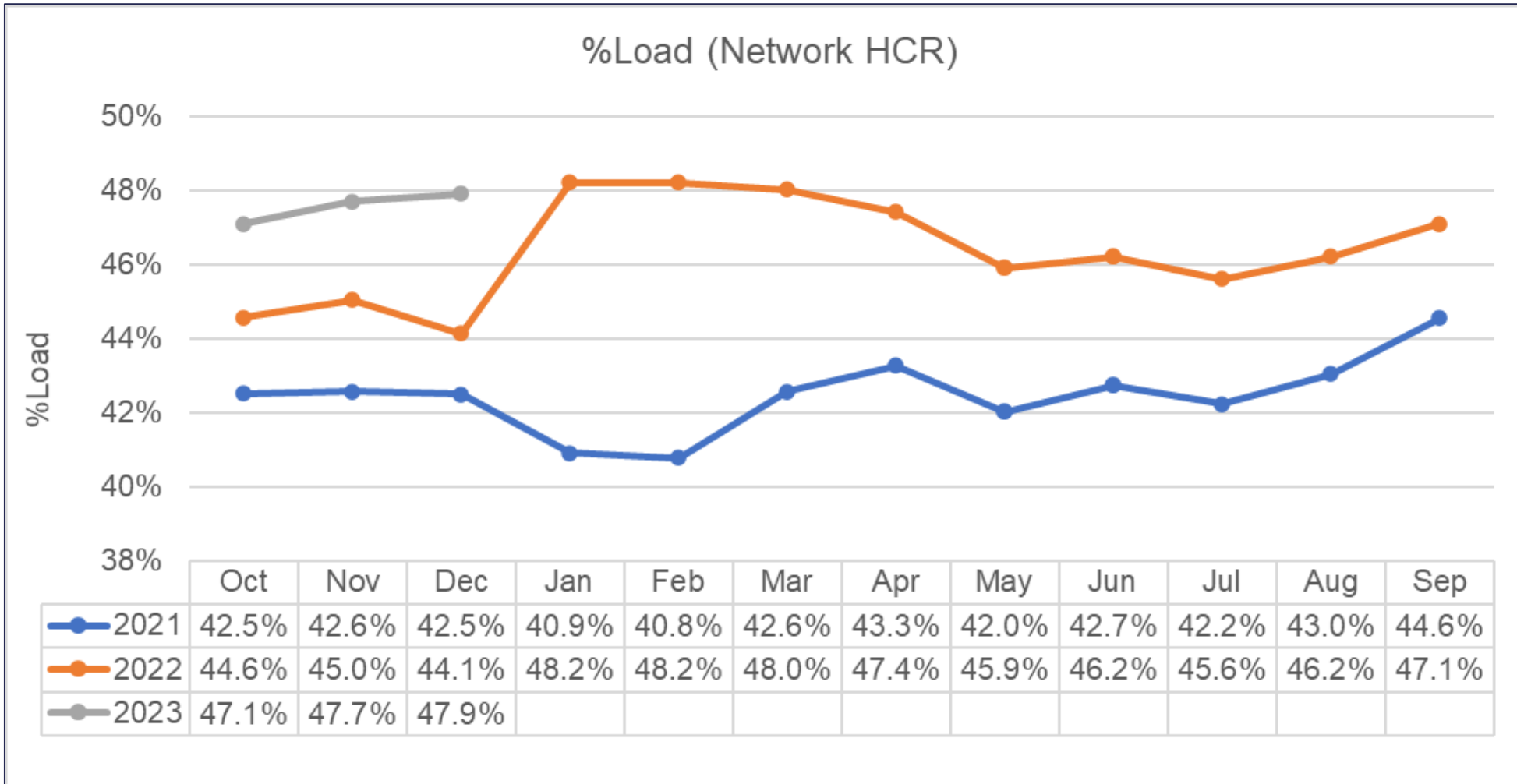
~55% reduction to Air volume from baseline to Nov FY23.

Analysis supports reduction to 12% Air.

Current Progress: First-Class Mail Mode Trend

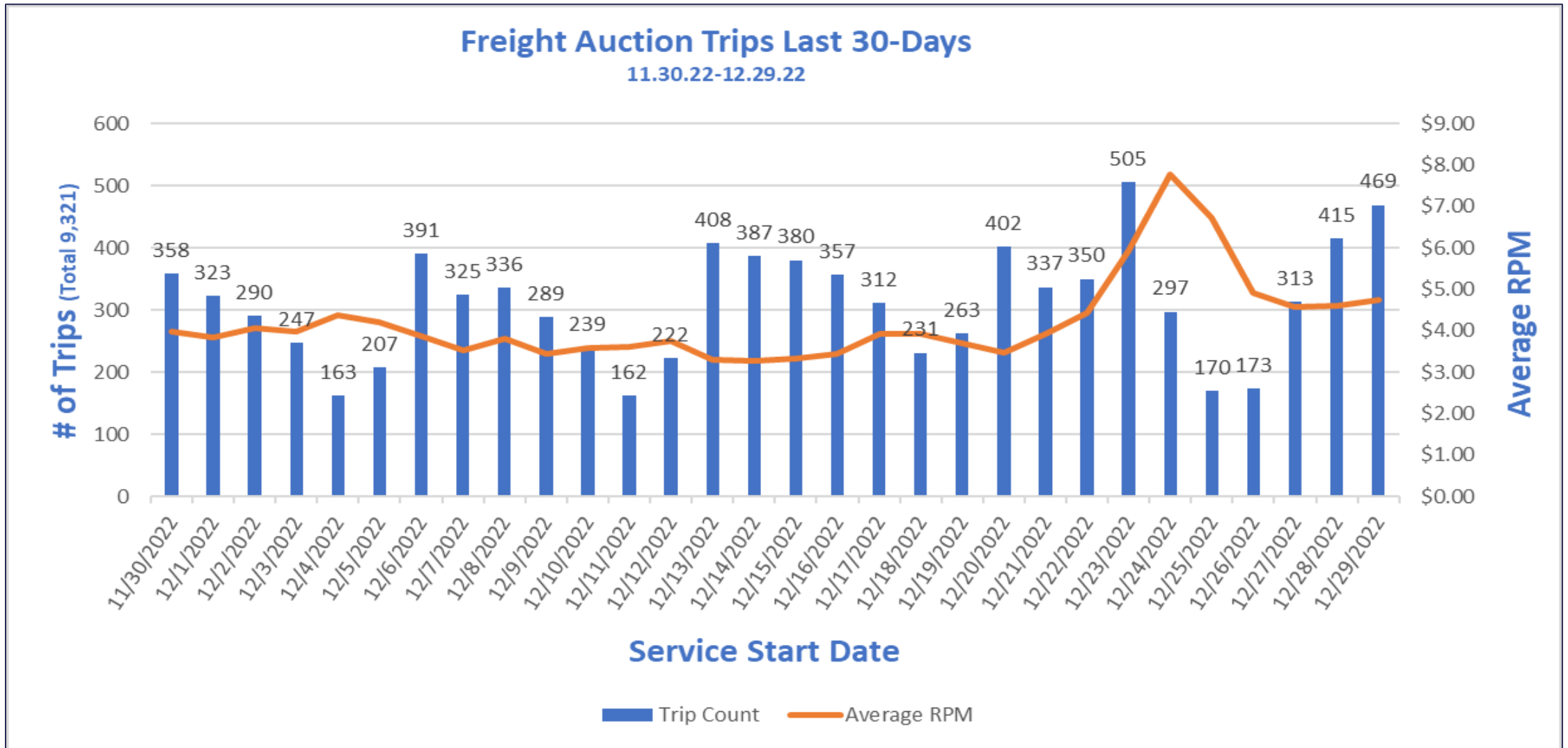


Truck Utilization: Network Highway Contract Routes



- Data Source: SVWeb, Transportation Summary Dashboards
- % Load Overall

Freight Auction Trips (w/ Average Rate per Mile)



*Transportation Management System -Smart Bench Data: Completed, Tender Accepted, In-Transit Trips

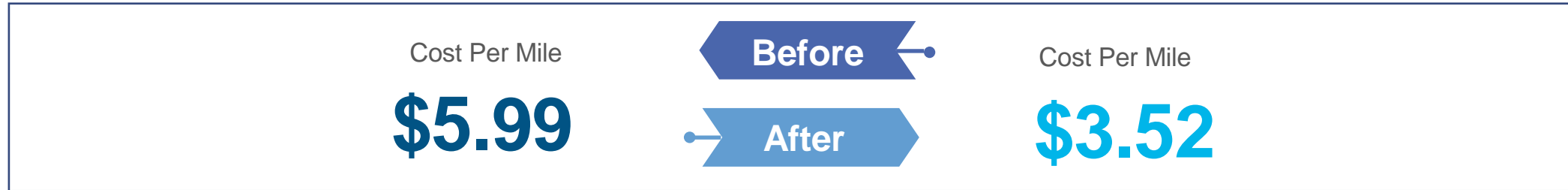
Peak Season FY22 vs. FY23 (Surface Transportation)

Peak Season FY22

- 28 Suppliers
- 10,040 Loads Delivered
- 6,675,643 Total Miles
- \$40,000,122 Total Auction Spend

Peak Season FY23

- 67 Suppliers
- 10,773 Loads Delivered
- 7,869,676 Total Miles
- \$27,695,977 Total Auction Spend



7%

Increase in surface loads delivered

240%

Increase in surface transportation providers

Expanding the Surface Network

Streamlining Surface Network

Objective

- Optimize the surface network to provide service-responsive expanded surface reach for First-Class products and consolidate the redundant NDC network.

How we see it

- Maximize the opportunity to dispatch all products on a single, streamlined surface network and minimize the volume required to be transported by the air network.

How we do it

- Implement STC-to-STC connections
- Implement new long-haul connections to Destination STCs from Origins with sufficient volume density
- Eliminate the NDC-to-NDC network
- Process and dispatch NDC products on the FC surface network

Outcome

- Reduced First-Class product air costs
- Increased efficiency of surface network (improved utilization, decreased trips / mileage / carbon emissions)
- End-to-end, coast-to-coast surface routings for HAZMAT

Air to Surface Implementation Timeline

December 23, 2022:

Submit FCM Wave-1 air to surface lanes for approval.

Implement 1st set of PRI A2S

January 30, 2023:

Implement FCM Wave-1 and 2nd set of PRI A2S

February 27, 2023:

Implement FCM Wave-2 and 3rd set of PRI A2S

January 19, 2023:

Submit Wave-2 air to surface lanes for approval

February 16, 2023:

Submit Wave-3 air to surface lanes for approval

March 27, 2023:

Implement FCM Wave-3 and 4th (final) set of PRI A2S



Integrated Logistics Ecosystem (ILE) – Status Update

CLEAR

- Loading the next set of contracts is on track for February 1, 2023
- Preparations have started for the loads on March 1, 2023, and April 1, 2023
- Will continue a monthly process, with targeted completion end of 2023

Blue Yonder

- Primary Focus has been on the migration to SaaS platform

Market Based Fuel

- On course for contract execution mid February
- Fuel payments through ILE will be based on actual prices in specific contract lanes
- Rates will apply to contracts and carriers as we are moving into ILE starting with May migrations, and will be backloaded to cover previous migrations

FourKites

- Transitioning to multi-tenant platform to assist with the on boarding of suppliers, February 1, 2023
- Shifting focus from Freight Auction to Network Carriers for onboarding
- Piloting messages back from FourKites that will provide primary POD for all loads originating from Blue Yonder
- Evaluation of opportunities with consolidated visibility, yard, and facility dock scheduling are all underway

Surface Transportation Vendor Onboarding

Emails sent to transportationonboarding@USPS.Gov receive the following response:

Interested in becoming a USPS Transportation Supplier?

Thank you for your interest in joining USPS in its mission to bind the nation together by providing prompt, reliable and efficient delivery services.

To receive opportunities to bid on available transportation contracts, you will need to register with USPS's sourcing platform.

To complete the registration process, please follow the instructions in the link below:

<https://about.usps.com/suppliers/becoming/registration.htm>

Already registered?

If you have completed the registration process you are an "onboarded" USPS Transportation supplier. You will begin receiving emailed invitations to bid on contracts. The invitations will come through emails from the sourcing platform or directly from a Transportation Specialist.

It is important to keep in mind that the availability of USPS Transportation contracts is based solely on the needs of the Postal Service. There is no way to foresee when opportunities will be available. Opportunities are not continuously available, and awards are competitive.

Surface Transportation Vendor Onboarding

Emails sent to transportationonboarding@USPS.Gov receive the following response:

Have a question about a specific bid opportunity?

Questions about a specific solicitation should be directed to the Transportation Specialist identified in the bid pack.

Have a general question about contracting with Transportation Strategy?

Please review the attached FAQ.

Having technical issues with the eSourcing website?

Please contact esourcing@usps.gov for assistance with all technical issues.

PLEASE DO NOT RESPOND TO THIS EMAIL. This is an automatically generated message.
Any response to this address will not be received.

Surface Transportation Vendor Onboarding

Prospective suppliers are directed to:

- transportationonboarding@usps.gov

Points of contact:

- Freight Auction - Nick Anziano (nicholas.j.anziano@usps.gov)
- Network Transportation Service - Jamie Katerberg (jamie.l.katerberg@usps.gov)
- Local Distribution Transportation Service - Renee Hamilton (renee.m.hamilton2@usps.gov)