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Mr. Dale Kennedy  
Director, Product Classification  
U.S. Postal Service  
475 L'Enfant Plaza SW, Room 4446  
Washington, DC 20260-5015

Re: Comments on USPS Proposed Rules – Securing Bundles of Flats [Federal Register Vol 89, 50542-50543]

The National Association of Presort Mailers (NAPM) joined by the National Postal Policy Council (NPPC), respectfully submit the following comments on the Postal Service's proposed rules, Securing Bundles of Flats, published in the *Federal Register* on June 14, 2024 (89 Fed. Reg. 50542).

NAPM members process and prepare commingled and comail mailings, taking mail from many mail owner customers and combining it into one mailing to be entered to the USPS. Our members process First-Class Mail (FCM), Marketing Mail, and other mail classes and products. Many of our members process flats, both FCM and Marketing Mail, and utilize both bundle-based and tray-based sortation of flats. We also have suppliers & solutions providers as members, many of which offer flats-related hardware/software.

NPPC is an association of large business users of letter mail, primarily in automation First Class, with member companies from the telecommunications, banking and financial services, insurance, and mail services industries. NPPC members account for a large majority of the Presort Letters and Cards (hereinafter "Presort Mail") in the postal system and work closely with the Postal Service on worksharing and many other efforts to make their mail as efficient and low cost as possible. A number of NPPC members employ flats as well and are quite concerned about the proposed new bundling rules.

### **Good Bundles / Bundles Prepared in Flat Trays**

Mailers for many months now have been working collaboratively with the USPS as it has developed and implemented its Mail Irregularity System (MI) which is designed to capture data on mail quality issues and provide actionable data to mail preparers so that mail preparation quality issues are identified and can be resolved. Flats bundle breakage has been the primary focus of the types of issues the USPS has instructed its plant personnel to capture and report. The USPS has had teams out in the top 10 facilities where bundle breakage occurs, to analyze the issues firsthand and train plant personnel how to use the MI system to report these occurrences. The MI system is designed to feed the data on bundle breakage to the mail preparer through the Mailer Scorecard. The USPS discusses these reports and other data from the Mailer Scorecard with the mailer during regular monthly quality reviews, or sooner if there is a significant issue being reported.

NAPM has worked with the USPS on the error codes and types of errors captured by the MI system – both manually and through automated logic. We have worked with the USPS on the Mailer Scorecard data aspects. We have regularly communicated to the USPS that we are prepared to test solutions, share ideas, and work collaboratively on the issue of bundle breakage. We have worked collaboratively with the USPS on these issues, despite the fact that there is little to no bundle breakage being reported for any NAPM or NPPC members.

None of NAPM's members has received any data from the USPS that the flats bundles they prepare are breaking. NAPM and NPPC members largely prepare flats bundles in flats tubs/trays for entry to the USPS, using either rubber bands or straps. First-Class Mail flats bundles prepared in flats tubs/trays are entered to USPS facilities and immediately processed on flats sorting equipment, with little volume processed on bundle sorting equipment. No data is being received that these bundles are breaking. NAPM members also prepare Marketing Mail flats bundles in flats tubs/trays with bundles secured by either rubber bands or straps. Again, there is no data from USPS to show that these bundles are breaking.

NAPM members that have occasionally presented flats bundles with strapping in flats tubs/trays have been told by USPS plant management not to strap the bundles because it adds labor costs for USPS to remove the strapping and is not necessary for First-Class Mail flats bundles in flats tubs/trays.

NAPM and NPPC strongly urge the Postal Service, if it implements the proposed rules, to make an exception for flats bundles prepared in flats tubs/trays. There is no data to show that bundles prepared in this manner are having issues of breakage. Requiring mailers to cross-strap these bundles will levy significant and unwarranted costs on the mail preparer. More broadly, we urge the Postal Service to consider the operational flow and processes of different container levels of flats bundles and to not apply these proposed rules to flats bundles that are not processed on bundle sorting equipment. For example, 5-digit containers of flats bundles would not be processed on APPS, they would go directly to an AFSM for processing, avoiding any potential bundle breakage.

We urge the Postal Service to explore an alternative approach to the problem of bundle breakage.

### **The Proposed Changes are Premature**

The USPS acknowledges that it has scheduled testing around bundle breakage to be done in the coming months. It also has said that there may be additional bundle preparation rule changes made, such as size or weight of bundles. The USPS recently visited facilities and met with several large flats mailers to see their processes. The USPS has also talked about developing and implementing a bundle integrity test at acceptance, but has not done so.

In addition, we feel strongly that the USPS should more aggressively explore bundle breakage issues caused by its own equipment and processes, particularly bundles processed on APPS equipment. As the USPS continues to modernize its network, it is using SIPS (Single Induction Parcel Sorter) machines to process flats bundles in some locations with reportedly significantly less bundle breakage. But it is not clear in the USPS future state what percentage of flats bundles may be processed on these new gentler SIPS machines vs. APPS machines that contribute to bundle breakage.

Despite the analysis and work still to come on bundle breakage, the USPS has proposed changes to bundle preparation that will significantly negatively impact all mail preparers of flats bundles, whether their bundles are breaking or not. The USPS also has provided industry with no information on any efforts to improve its bundle sorting equipment and processes, which the USPS has acknowledged can cause bundle breakage. The USPS is also in the early stages of a significant redesign of its network, which may include different processes and equipment to sort flats bundles. Has the USPS looked at these new processes/equipment to determine if bundle breakage is still a significant issue with those internal changes? If it has, and the new equipment/processes reduce bundle breakage, then that needs to be taken into consideration as the USPS determines its strategies. If not, then the USPS should perform such tests and analysis before making sweeping preparation changes that negatively impact the flats industry and may not be necessary if bundle breakage is reduced by changes in USPS equipment/processes.

We believe that these proposed rules are premature given the work and analysis still to come. We strongly recommend that the USPS pause these proposed changes until it concludes the further study it has scheduled and completes analysis of potential improvements to its own equipment and processes.

For these, and the other reasons discussed in these comments, NAPM and NPPC strongly believe that these proposed rules are simply premature. Given the work and analysis still to come, the USPS should pause these proposed changes until it concludes the further study it has scheduled and completes analysis of potential improvements to its own equipment and processes.

### **Cost of Strapping Requirements**

There is a significant cost to mail preparers to comply with the proposed cross-strapping requirements. Mail preparers that currently do not have strapping equipment will bear the cost of purchasing equipment. From discussions with NAPM and NPPC members as well as manufacturers of strapping equipment, the average cost for a quality production capacity strapping machine is around \$15,000. In addition, there are maintenance costs, labor costs to operate the equipment, materials costs for strapping, training costs, and cost of additional facility space to accommodate the operation. While there may be less expensive equipment available for smaller manual strapping stations, those do not apply a strap that is secure enough to prevent breakage on palletized bundles.

These costs would be incurred by mail preparers who would be forced to pass much of the cost to their flats mail owner customers. This would increase those customers' cost to mail and cause them to look at alternatives, driving even more volume out of the mail at a time when volume declines are already accelerated.

In addition, increasing the amount of plastic strapping used by mailers has negative environmental impacts and even if the USPS has recycling programs in place for used strapping material, there will be additional labor and cost for the USPS to recycle more strapping.

### **The Implementation Date is Unachievable**

The USPS proposes an August 18, 2024 implementation date for the proposed bundle preparation changes, which is simply unachievable for most mail preparers. Strapping equipment manufacturers advised NAPM that for equipment currently in inventory today, a minimum of 12 weeks lead time from order to receipt would be required, plus additional time to install. But there are many variables that determine the type of strapping system a mail preparer would need. Strapping equipment manufacturers advised that for certain types of systems and production, it can take 8-12 months before such systems can be purchased and installed.

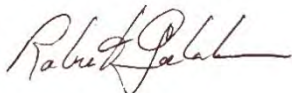
The comment deadline for the proposed rules is July 15 – even if the USPS could make a final decision and publish final rules quickly, that would still leave a month or less for mailers to comply, which is totally unrealistic. In addition, before final rules can be published, many mail preparers will have already printed and prepared flats for mailing after the August 18 implementation date. Those flats would be prepared according to the existing preparation standards.

We are concerned that if the USPS moves ahead with the August 18, 2024, implementation date, it would have to allow exceptions for many mailers that can not comply with the deadline. Exception requests which would have to be submitted from the mail owner level could reach the thousands, creating a significant administrative burden for the USPS.

## Conclusion

We support the Postal Service's ultimate goal of remedying inefficiencies in the processing and delivery of flat-shaped mail, reducing the USPS costs and encouraging volume growth. We strongly urge the USPS, however, to work more closely with the flats mailing industry on development of processes that will help address the issue of flats bundle breakage without unfairly penalizing all flats mailers and driving volume out of the mail. We believe the proposed rules to be costly, unfair and overkill, and the proposed implementation date is unachievable. We strongly urge the USPS to pause these proposed rules and work closely with the flats mailing industry to test other ways to reduce flats bundle breakage.

Respectfully submitted,



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