



Innovations in Last-Mile Delivery – The USPS OIG Perspective

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USPS: Key Assets, Well-known Vulnerabilities

232,000

delivery routes

204,000

delivery vehicles

160 m

delivery points

6.1

billion
packages/year

Best-liked federal
government agency

35,000 retail outlets

456,000

city and rural carriers

Limited investment
resources

High fixed, labor costs

Legally prohibited from
offering 'non postal'
services

Growing competition in
the (package) last mile



USPS OIG: A Body of Work on the Last Mile



Last mile/parcel innovations

Internet of “Postal” Things

Drones and AMRs

Coordination and Optimization Technologies

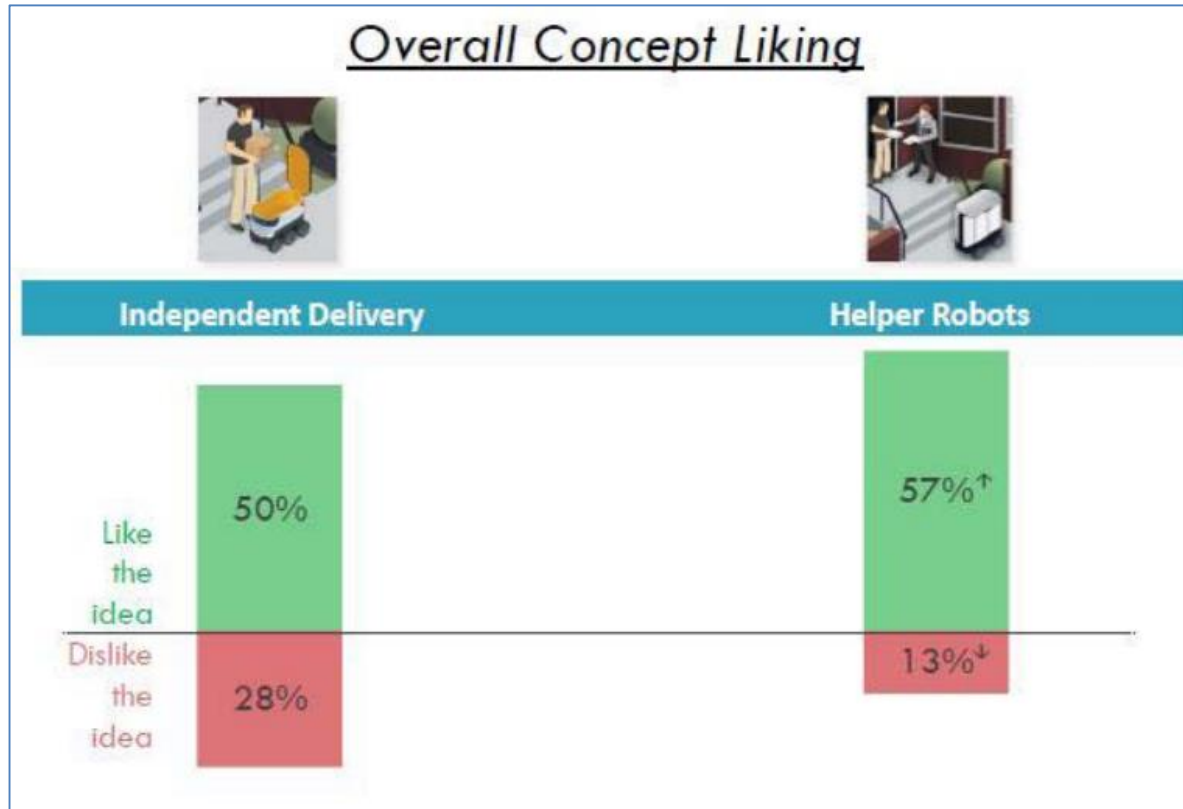
Same-Day Delivery

‘Sustainable’ delivery



Last Mile Technologies Can Drive Brand Positivity: AMRs

Percentage of People that Like and Dislike Robotic Delivery Concepts

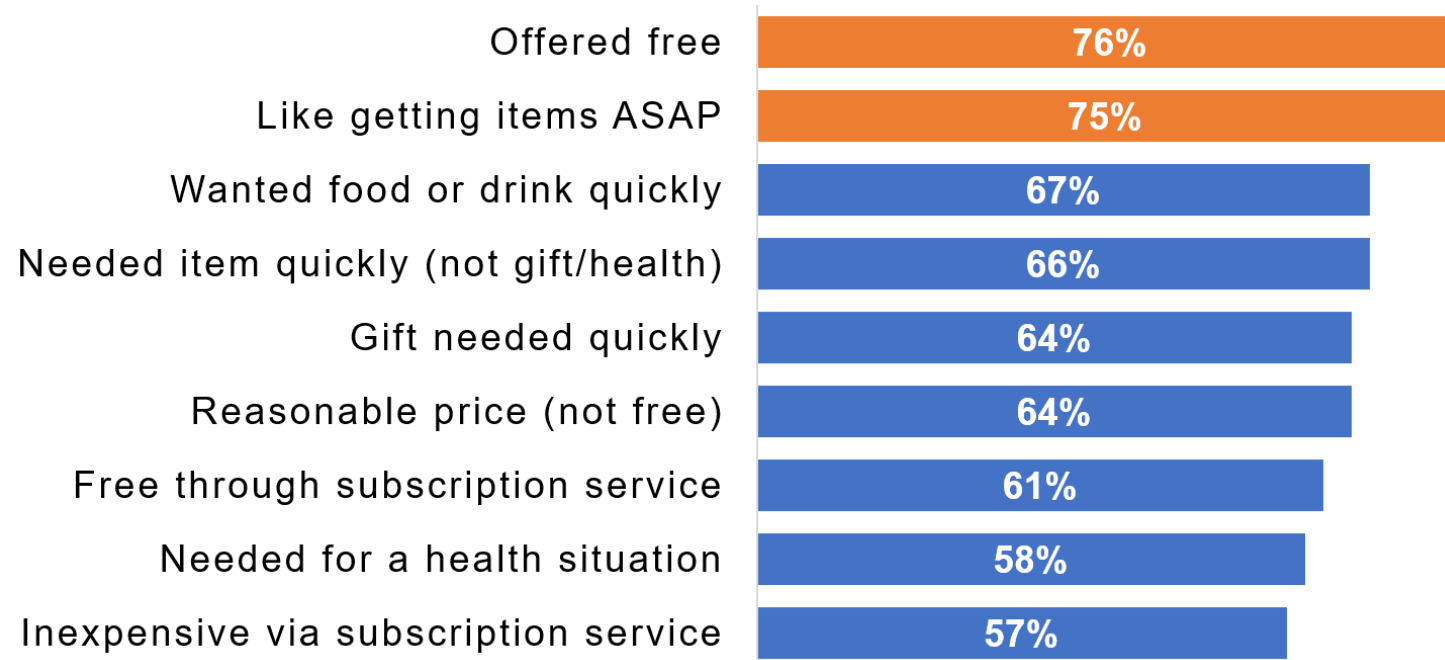


More respondents like the idea of delivery AMRs than dislike it, particularly when it comes to robots that help the carrier.



Same-day Delivery May Not Become the New Normal

Reasons for selecting same-day delivery



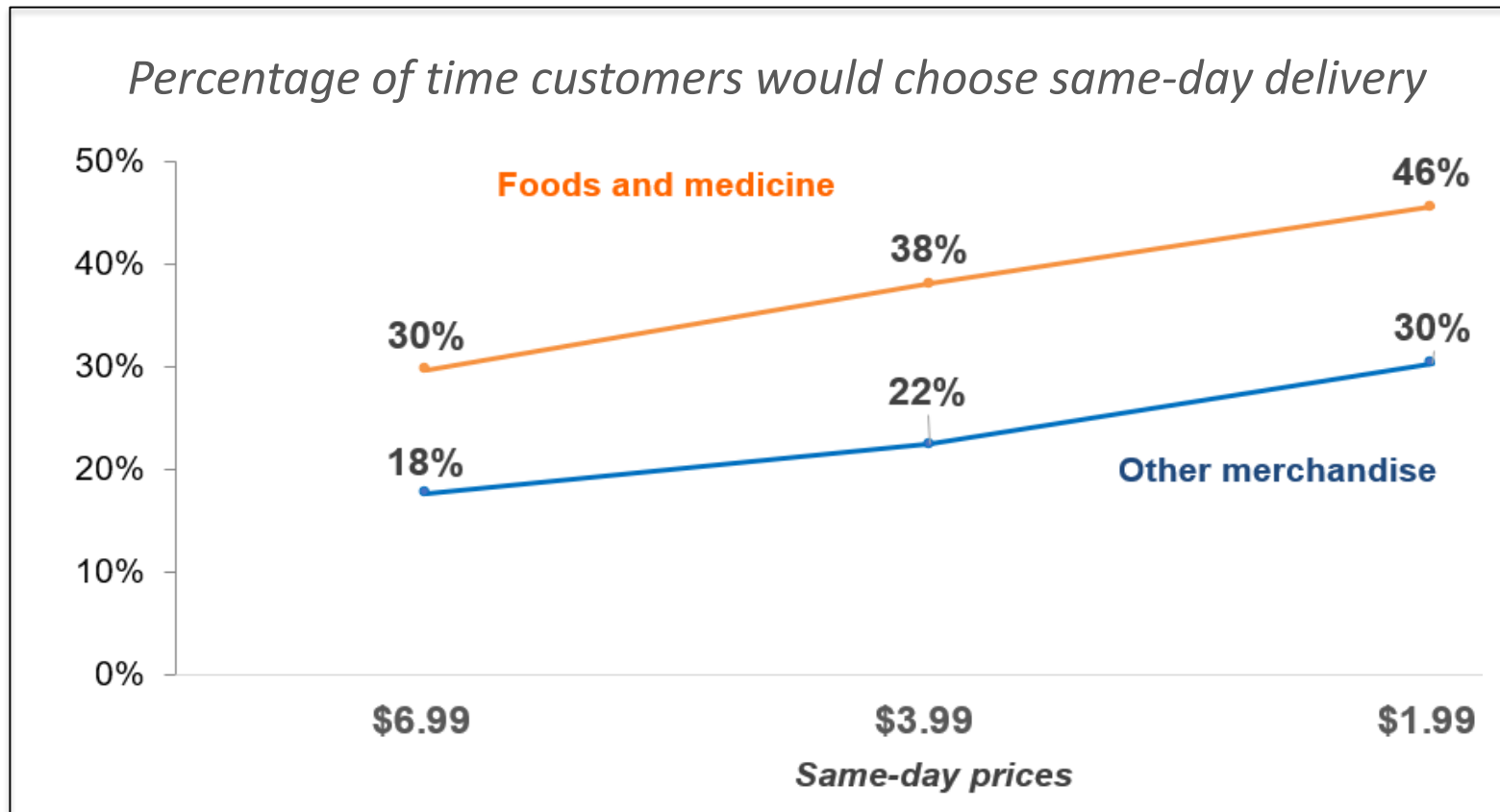
Need and price are key drivers.

Same-day represents 2% of parcels volume.

Americans may prefer pickup in store and free next-day over same-day delivery.



A Low Willingness to Pay for Same-Day Delivery



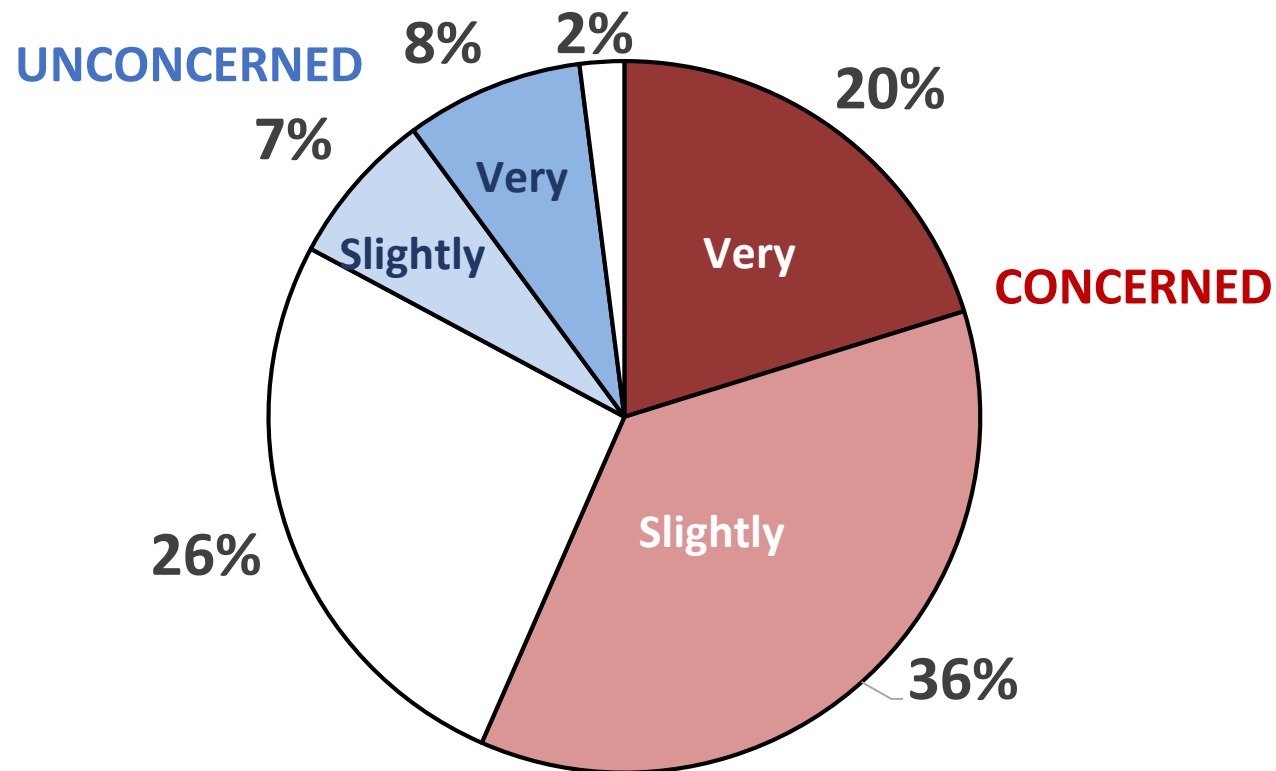
At all price points customers are more willing to pay for same-day delivery if it involves food or medicine.

Over 40% of the population would never buy for same day delivery at any price.



A Green Last Mile Does Matter

Level of concern about the environmental impact of package delivery



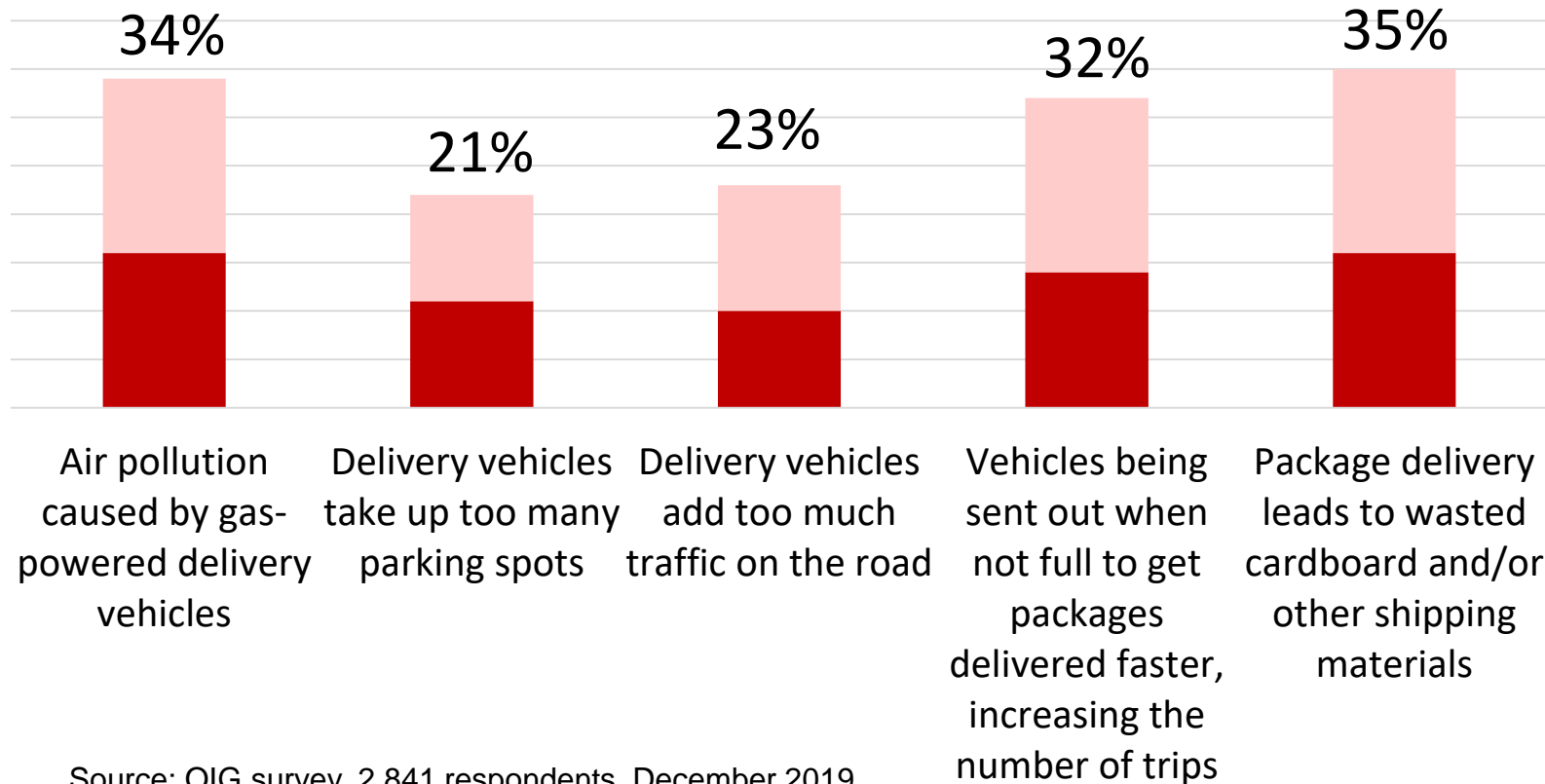
56% of Americans are concerned about the environmental impact of deliveries.

Millennials and urban residents are much more concerned.



Top Concerns are Packaging Waste and Air Pollution

Percentage of 'extremely' + 'very' concerned customers



Source: OIG survey, 2,841 respondents, December 2019



Solutions That Cut Packaging Waste Are Top of Mind

Like ‘Very much’ or like ‘somewhat’ this idea for making delivery more environmentally-friendly

Government Policies

- Tax cuts 65%
- Evening deliveries 60%
- Fines for non environmentally-friendly delivery trucks 40%

Last Mile Initiatives

- Routing optimization 74%
- Energy-efficient delivery vehicles 74%
- Fuller trucks (consolidation) 69%
- Lockers instead of home delivery 48%

Packaging

- Recycled shipping materials 80%
- Reusable/returnable packaging 76%
- ‘Smaller’ [on-demand] packaging 74%

CO2 compensation programs 72%

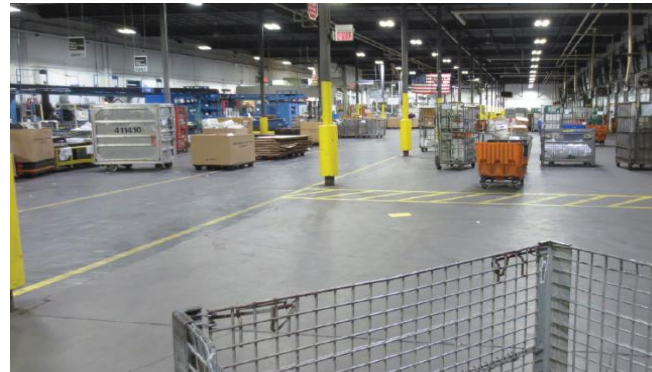


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2019



Our Reports Often Discuss Last-Mile Concepts

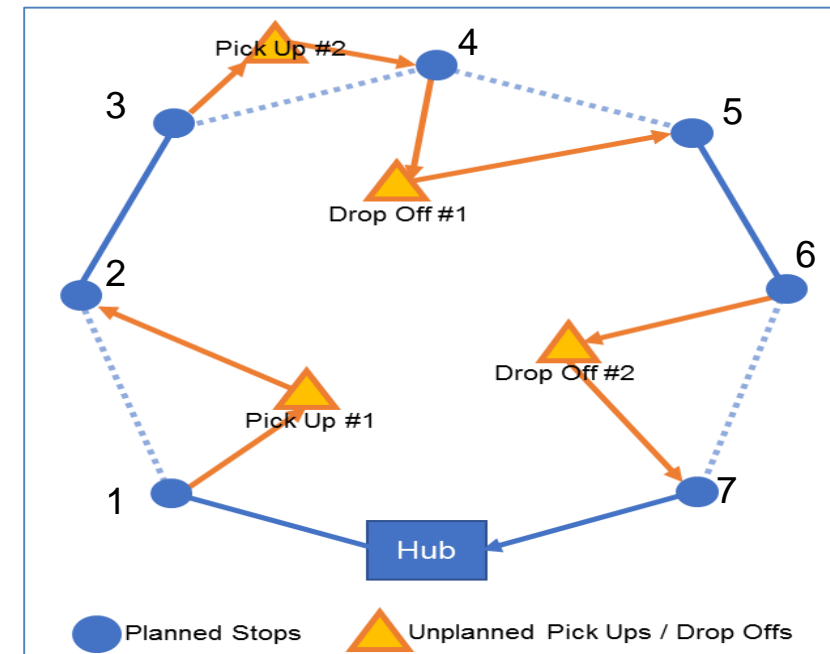
Sharing postal warehouses with shippers?



Microhubs?



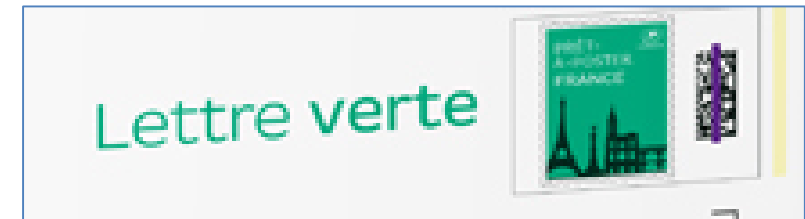
Same-day pickups and deliveries along fixed routes?





Cheaper, Slower, Greener Letters?

73% of respondents would accept slower service standards in exchange of cheaper, cleaner letter deliveries.





The Social Value of the Last Mile: New Carrier-based Services



A distraction from parcel delivery, a source of additional revenue, or a key public service mission?



Promoting Integrity and Accountability in America's Postal System